

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 2021

ACES ACADEMIES TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 16
Statement on regularity, propriety and compliance	17
Statement of trustees' responsibilities	18
Independent auditor's report on the accounts	19 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities including income and expenditure account	24 - 25
Balance sheet	26
Statement of cash flows	27
Notes to the accounts including accounting policies	28 - 52

ACES ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

B Curtis
C Glanville
C Sinclair
H Johal
P Fenney (Appointed 1 January 2021)

Trustees

P Fenney (Resigned 31 December 2020)
A Goulding
B Curtis (Resigned 31 December 2020)
C Fluet (Resigned 22 July 2021)
B Message
G Weston
I Phillips
D Lewis
R Ryan
R Joshi (Appointed 2 September 2020)
C Meddle (Appointed 1 September 2020)
J Matemba (Appointed 20 October 2020)
J Nicholson (Appointed 20 October 2020)
C Rose (Resigned 20 July 2021)
A Rankine (Resigned 31 December 2020)

Senior leadership team

- Chief Executive Officer	A Goulding
- Principal (Hinchingsbrooke School)	M Patterson
- Director of Finance and HR	D McMillan
- Director of Primary Standards and Inclusion	R Berton
- HR Manager	S Spira
- Headteacher (Cromwell Academy)	H Connor-James
- Headteachers (Godmanchester Community Academy)	T Fielden & R Bakker
- Headteacher (Godmanchester Bridge Academy)	C Pirrie
- 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
Godmanchester Bridge Academy
Godmanchester Community Academy

Location

Huntingdon
Huntingdon
Godmanchester
Godmanchester

Principal

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

ACES ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

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

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 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31st August 2021.

The Multi Academy Trust operates four 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 1,550 and had a roll of 1,484 in the school census on January 2020. There were a further 403 students in the Sixth Form, making a total roll of 1,887. Over the next 4 years, the school has planned growth which will see it realise 1750 students in pre-16 education. This should have a positive impact on numbers attending the Sixth Form. Cromwell Academy is a single form entry primary school in Huntingdon with a capacity of 210 and had a roll of 182 in the January 2020 Census. In September 2020, two further schools joined the Trust. Godmanchester Bridge Academy is currently a single form entry primary school in Godmanchester (on the outskirts of Huntingdon) with a capacity of 210 and had a roll of 182 in the January 2020 Census. The school opened four years ago and has the ultimate capacity to be a two form of entry school to meet growth needs of the local community. Godmanchester Community Academy is a two-form entry primary school also in Godmanchester with a capacity of 420 and had a roll of 182 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.

Method of recruitment and appointment or election of trustees

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

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Policies and procedures adopted for the induction and training of trustees

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

Organisational structure

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

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

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

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Values, Objectives, Core purpose and Activities

Our values

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

ASPIRATION: We value and promote aspiration for all.

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

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

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

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

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

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Vision Statement

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

Mission

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

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

Objectives, strategies and activities

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

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

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

and by

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

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

Public Benefit

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

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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. In 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 because 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.

Key Performance Indicators

Restricted general balances were £686,353 higher than 2019/20 due to efficiency measures and additional COVID-19 funding. GAG reserves are now in surplus by £510,266.

Going concern

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

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

Financial review

For a long time, Cambridgeshire has received less funding for education than lots of other authorities and, in the last few years, 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.

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

The Trust's total incoming revenue resources for the period 1 September 2020 to 31 August 2021 amounted to £15,983,291 (2020: £12,048,535) excluding transfer in of existing academies into the trust. The Trust's total incoming capital resources for the period 1 September 2020 to 31 August 2021 amounted to £243,062 (2020: £93,116).

The Trust held revenue fund balances of £1,821,308 excluding pension deficit and capital fund balances of £30,306,878 at 31 August 2021.

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Employee involvement

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

Disabled employees

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

Disabled students

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

Investment and Reserves Policy

The Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential. It is the intention of the Trustees to aim to hold reserves between 2% and 5% of annual recurring expenditure, and this is being worked towards. Unrestricted reserves are carried forward as unrestricted surplus in the year are used primarily to reduce the General Annual Grant deficit brought forward. The General Annual Grant surplus has been increased from £nil to £510,266. Remaining restricted general funds carried forward are £176,087. The aim is to return to a reserve of between 2% and 5% as soon as possible.

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

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

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

Principal risks and uncertainties

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

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

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

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined Energy and Carbon Reporting

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

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	Current reporting year 2020/21	Comparison reporting year 2019/20 (figures are for illustrative purposes)
Energy consumption used to calculate emissions (kWh)	4,281,857	2,829,575
Energy consumption break down (kWh):		
• gas	3,262,672	2,040,364
• electricity	1,019,185	789,211
• transport fuel	0	9,415
Scope 1 emissions in metric tonnes CO₂e		
Gas consumption	597.59	373.71
Owned transport – mini-buses	0	2.32
Total Scope 1		
Scope 2 emissions in metric tonnes CO₂e		
Purchased electricity	216.40	167.57
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee-owned vehicles	0.00	0.00
Total gross emissions in metric tonnes CO ₂ e	813.99	543.60
Intensity ratio Tonnes CO ₂ e per pupil	0.31	0.26

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Note: During the Year 1 September 2020 – 31 August 2021 the trust increased in size by 2 schools. Furthermore, due to COVID measures introduced by the Government, energy consumption increased due to the requirement for ventilation in all buildings including during the winter months.

Measures taken to improve energy efficiency

We have completed the installation of new energy efficient boilers at Godmanchester Community Academy during the summer of 2021.

Plans for future periods

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

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

In so far as the trustees are aware:

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

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 07 December 2021 and signed on its behalf by:

A Goulding

B Message

ACES ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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 6 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 (Resigned 31 December 2020)	3	3
A Goulding	6	6
B Curtis (Resigned 31 December 2020)	3	3
C Fluet (Resigned 22 July 2021)	6	6
B Message	6	6
G Weston	6	6
I Phillips	4	6
D Lewis	2	6
R Ryan	6	6
R Joshi (Appointed 2 September 2020)	3	6
C Meddle (Appointed 1 September 2020)	2	6
J Matamba (Appointed 20 October 2020)	5	5
J Nicholson (Appointed 20 October 2020)	5	5
C Rose (Resigned 20 July 2021)	4	6
A Rankine (Resigned 31 December 2020)	3	3

ACES ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021

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 2021 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 2021

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 07 December 2021 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 2021

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 2020.

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 2020.

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

07 December 2021

ACES ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 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 2020 to 2021;
- 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 07 December 2021 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 2021

Opinion

We have audited the accounts of Aces Academies Trust for the year ended 31 August 2021 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 2020 to 2021 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 2021 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 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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 2021

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.

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

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

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

ACES ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

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

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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

A further description of our responsibilities 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.

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

17 December 2021

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

ACES ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 26 August 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

ACES ACADEMIES TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 31 August 2021 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: 17 December 2021

ACES ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	3	-	-	243,062	243,062	93,116
Donations - transfer of existing academies into the trust		329,679	519,625	10,804,473	11,653,777	-
Charitable activities:						
- Funding for educational operations	4	917,542	14,597,645	-	15,515,187	11,712,890
- Funding for sports and leisure activities		188,657	-	-	188,657	200,689
Other trading activities	5	36,086	-	-	36,086	41,039
Investments	6	299	-	-	299	801
Total		1,472,263	15,117,270	11,047,535	27,637,068	12,048,535
Expenditure on:						
Charitable activities:						
- Educational operations	9	758,809	15,388,577	956,561	17,103,947	12,954,372
- Sports and leisure activities		228,786	-	-	228,786	173,580
Charitable expenditure - transfer of existing academies into the trust		-	1,458,000	-	1,458,000	-
Total	8	987,595	16,846,577	956,561	18,790,733	13,127,952
Net income/(expenditure)		484,668	(1,729,307)	10,090,974	8,846,335	(1,079,417)
Transfers between funds	19	(70,606)	56,660	13,946	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	21	-	(1,541,000)	-	(1,541,000)	(282,000)
Net movement in funds		414,062	(3,213,647)	10,104,920	7,305,335	(1,361,417)
Reconciliation of funds						
Total funds brought forward		720,893	(4,200,000)	20,201,958	16,722,851	18,084,268
Total funds carried forward		1,134,955	(7,413,647)	30,306,878	24,028,186	16,722,851

ACES ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020		Unrestricted funds	Restricted funds: General Fixed asset		Total 2020
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	-	-	93,116	93,116
Charitable activities:					
- Funding for educational operations	4	870,211	10,842,679	-	11,712,890
- Funding for sports and leisure activities		200,689	-	-	200,689
Other trading activities	5	41,039	-	-	41,039
Investments	6	801	-	-	801
Total		<u>1,112,740</u>	<u>10,842,679</u>	<u>93,116</u>	<u>12,048,535</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	777,681	11,732,942	443,749	12,954,372
- Sports and leisure activities		173,580	-	-	173,580
Total	8	<u>951,261</u>	<u>11,732,942</u>	<u>443,749</u>	<u>13,127,952</u>
Net income/(expenditure)		161,479	(890,263)	(350,633)	(1,079,417)
Transfers between funds	19	(203,310)	191,015	12,295	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	21	-	(282,000)	-	(282,000)
Net movement in funds		(41,831)	(981,248)	(338,338)	(1,361,417)
Reconciliation of funds					
Total funds brought forward		762,724	(3,218,752)	20,540,296	18,084,268
Total funds carried forward		<u>720,893</u>	<u>(4,200,000)</u>	<u>20,201,958</u>	<u>16,722,851</u>

ACES ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	14		30,313,977		20,138,172
Current assets					
Debtors	15	495,460		341,121	
Cash at bank and in hand		2,422,630		1,159,334	
		2,918,090		1,500,455	
Current liabilities					
Creditors: amounts falling due within one year	16	(1,103,881)		(707,442)	
Net current assets			1,814,209		793,013
Total assets less current liabilities			32,128,186		20,931,185
Creditors: amounts falling due after more than one year	17		-		(8,334)
Net assets before defined benefit pension scheme liability			32,128,186		20,922,851
Defined benefit pension scheme liability	21		(8,100,000)		(4,200,000)
Total net assets			24,028,186		16,722,851
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			30,306,878		20,201,958
- Restricted income funds			686,353		-
- Pension reserve			(8,100,000)		(4,200,000)
Total restricted funds			22,893,231		16,001,958
Unrestricted income funds	19		1,134,955		720,893
Total funds			24,028,186		16,722,851

The accounts on pages 24 to 52 were approved by the trustees and authorised for issue on 07 December 2021 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 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	25	255,847		(381,889)	
Cash funds transferred on conversion		820,868		-	
		<u>1,076,715</u>		<u>(381,889)</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		299		801	
Capital grants from DfE Group		243,062		44,231	
Capital funding received from sponsors and others		-		48,885	
Purchase of tangible fixed assets		(46,985)		(66,662)	
		<u>196,376</u>		<u>27,255</u>	
Net cash provided by investing activities					
Cash flows from financing activities					
Repayment of long term bank loan		(9,568)		(8,333)	
Finance costs		(227)		(244)	
		<u>(9,795)</u>		<u>(8,577)</u>	
Net cash used in financing activities					
Net increase/(decrease) in cash and cash equivalents in the reporting period					
		1,263,296		(363,211)	
Cash and cash equivalents at beginning of the year		1,159,334		1,522,545	
Cash and cash equivalents at end of the year					
		<u>2,422,630</u>		<u>1,159,334</u>	

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 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 2021

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 2021

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

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

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

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

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

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

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

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

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

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.

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

1.11 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 21, 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 2021. 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.

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	243,062	243,062	87,276
Other donations	-	-	-	5,840
	<hr/>	<hr/>	<hr/>	<hr/>
	-	243,062	243,062	93,116
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	12,200,405	12,200,405	9,383,857
Other DfE / ESFA grants:				
UFSM	-	174,368	174,368	20,661
Pupil premium	-	418,725	418,725	263,750
Teachers pension grants	-	463,962	463,962	394,324
Teachers pay grants	-	223,023	223,023	139,547
PE and sports premium	-	42,972	42,972	17,600
Others	-	59,483	59,483	45,653
	-	13,582,938	13,582,938	10,265,392
Other government grants				
Local authority grants	-	632,285	632,285	446,350
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	179,764	179,764	-
Other DfE/ESFA COVID-19 funding	-	62,454	62,454	-
	-	242,218	242,218	-
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus job retention scheme grant	34,312	-	34,312	-
Other COVID-19 funding	-	-	-	-
	34,312	-	34,312	-
Other funding				
Sports and leisure facilities	188,657	-	188,657	200,689
Other incoming resources	883,230	140,204	1,023,434	1,001,148
	1,071,887	140,204	1,212,091	1,201,837
Total funding	1,106,199	14,597,645	15,703,844	11,913,579

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

- The funding received from DfE / ESFA covers £96,872 of additional costs arising as a result of COVID-19. These costs are included in notes 8 and 9 as appropriate.
- The academy trust furloughed some of its sports and leisure facilities staff and kids club staff under the government's Coronavirus job retention scheme. The funding received of £34,312 relates to staff costs, which are included within note 11 below as appropriate.

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Lettings	36,086	-	36,086	7,713
Catering income - commercial	-	-	-	33,326
	<u>36,086</u>	<u>-</u>	<u>36,086</u>	<u>41,039</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	299	-	299	801
	<u>299</u>	<u>-</u>	<u>299</u>	<u>801</u>

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

The amounts charged during the year were as follows:

	2021 £	2020 £
Hinchingsbrooke School	383,206	212,736
Cromwell Academy	46,973	38,194
Godmanchester Bridge Academy	50,812	-
Godmanchester Community Academy	93,972	-
	<u>574,963</u>	<u>250,930</u>

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2021	2020
	£	£	£	£	£
Academy's educational operations					
- Direct costs	10,445,092	-	825,853	11,270,945	8,828,456
- Allocated support costs	2,787,521	1,951,184	1,094,297	5,833,002	4,125,916
Sports and leisure activities					
- Direct costs	132,984	-	95,802	228,786	173,580
	<u>13,365,597</u>	<u>1,951,184</u>	<u>2,015,952</u>	<u>17,332,733</u>	<u>13,127,952</u>

Net income/(expenditure) for the year includes:

	2021	2020
	£	£
Fees payable to auditor for:		
- Audit	15,750	13,850
- Other services	1,700	1,500
Operating lease rentals	27,520	33,101
Depreciation of tangible fixed assets	675,652	438,554
Bank and loan interest	227	244
Net interest on defined benefit pension liability	103,000	69,000
	<u>103,000</u>	<u>69,000</u>

9 Charitable activities

	Unrestricted	Restricted	Total	Total
	funds	funds	2021	2020
	£	£	£	£
Direct costs				
Educational operations	112,185	11,158,760	11,270,945	8,828,456
Sports and leisure activities	228,786	-	228,786	173,580
Support costs				
Educational operations	646,624	5,186,378	5,833,002	4,125,916
	<u>987,595</u>	<u>16,345,138</u>	<u>17,332,733</u>	<u>13,127,952</u>

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities (Continued)

Analysis of costs	Sports and leisure facilities	Educational operations	Total 2021	Total 2020
	£	£	£	£
Direct costs				
Teaching and educational support staff costs	132,984	10,445,092	10,578,076	8,101,559
Staff development	-	56,387	56,387	21,164
Technology costs	-	107,778	107,778	15,265
Educational supplies and services	-	425,744	425,744	359,261
Examination fees	-	123,759	123,759	192,833
Other direct costs	95,802	112,185	207,987	311,954
	<u>228,786</u>	<u>11,270,945</u>	<u>11,499,731</u>	<u>9,002,036</u>
Support costs				
Support staff costs	-	2,787,521	2,787,521	2,073,993
Depreciation	-	675,652	675,652	438,554
Technology costs	-	114,619	114,619	98,405
Recruitment and support	-	40,126	40,126	37,792
Maintenance of premises and equipment	-	459,035	459,035	138,342
Rent, rates and other occupancy costs	-	816,497	816,497	654,362
Catering	-	464,419	464,419	384,041
Finance costs	-	103,227	103,227	69,244
Other support costs	-	351,859	351,859	215,770
Governance costs	-	20,047	20,047	15,413
	<u>-</u>	<u>5,833,002</u>	<u>5,833,002</u>	<u>4,125,916</u>

10 Governance costs

	Total 2021	Total 2020
All from restricted funds:	£	£
Amounts included in support costs		
Legal costs	2,447	-
Auditor's remuneration		
- Audit of financial statements	15,750	13,850
- Other audit costs	1,850	1,563
	<u>20,047</u>	<u>15,413</u>

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

11 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	9,667,097	7,398,379
Social security costs	903,562	680,281
Pension costs	2,749,200	2,031,204
	<hr/>	<hr/>
Staff costs - employees	13,319,859	10,109,864
Agency staff costs	45,738	65,688
	<hr/>	<hr/>
	13,365,597	10,175,552
Staff development and other staff costs	56,387	21,164
	<hr/>	<hr/>
Total staff expenditure	13,421,984	10,196,716
	<hr/>	<hr/>

Staff numbers

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

	2021 Number	2020 Number
Teachers	159	127
Administration and support	185	114
Management	16	13
	<hr/>	<hr/>
	360	254
	<hr/>	<hr/>

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	8	5
£70,001 - £80,000	2	3
£80,001 - £90,000	2	-
£90,001 - £100,000	1	-
£140,001 - £150,000	1	1
	<hr/>	<hr/>

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

11 Staff

(Continued)

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 £744,910 (9 employees) (2020: £460,476 (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 (2020: £140,000 - £145,000)

Employer's pension contributions £0 (2020: £0)

During the year, travel and subsistence payments totalling £nil (2020: £nil) were reimbursed or paid directly to trustees.

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

13 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 is included within insurance costs.

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Tangible fixed assets

	Leasehold property	Plant & machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2020	22,921,051	136,299	615,573	7,500	23,680,423
Transfer of existing academies into the trust	10,610,776	-	193,696	-	10,804,472
Additions	-	-	46,985	-	46,985
At 31 August 2021	33,531,827	136,299	856,254	7,500	34,531,880
Depreciation					
At 1 September 2020	2,952,811	80,500	503,107	5,833	3,542,251
Charge for the year	589,337	16,038	68,610	1,667	675,652
At 31 August 2021	3,542,148	96,538	571,717	7,500	4,217,903
Net book value					
At 31 August 2021	29,989,679	39,761	284,537	-	30,313,977
At 31 August 2020	19,968,240	55,799	112,466	1,667	20,138,172

15 Debtors

	2021 £	2020 £
Trade debtors	41,198	69,223
VAT recoverable	95,775	64,626
Prepayments and accrued income	358,487	207,272
	495,460	341,121

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Government loans	7,099	8,333
Trade creditors	237,009	176,846
Other taxation and social security	257,957	177,393
Other creditors	218,667	179,926
Accruals and deferred income	383,149	164,944
	1,103,881	707,442

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Government loans	-	8,334
	<u> </u>	<u> </u>
Analysis of loans	2021 £	2020 £
Wholly repayable within five years	7,099	16,667
Less: included in current liabilities	(7,099)	(8,333)
	<u> </u>	<u> </u>
Amounts included above	-	8,334
	<u> </u>	<u> </u>
Loan maturity		
Debt due in one year or less	8,649	8,333
Due in more than one year but not more than two years	-	8,334
	<u> </u>	<u> </u>
	8,649	16,667
	<u> </u>	<u> </u>

18 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	125,679	102,447
	<u> </u>	<u> </u>
Deferred income at 1 September 2020	102,447	213,675
Released from previous years	(102,447)	(213,675)
Resources deferred in the year	125,679	102,447
	<u> </u>	<u> </u>
Deferred income at 31 August 2021	125,679	102,447
	<u> </u>	<u> </u>

Deferred income relates to amounts received in advance for the 2021/22 school year for school trips and funding.

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	12,720,030	(12,266,424)	56,660	510,266
UIFSM	-	174,368	(174,368)	-	-
Pupil premium	-	418,725	(418,725)	-	-
Teachers pension grants	-	463,962	(463,962)	-	-
Teachers pay grants	-	223,023	(223,023)	-	-
PE and sports premium	-	42,972	(13,781)	-	29,191
Other DfE / ESFA grants	-	59,483	(59,483)	-	-
Other government grants	-	632,285	(630,735)	-	1,550
COVID-19 catch up premium	-	179,764	(34,418)	-	145,346
COVID-19 additional funding (DfE / ESFA)	-	62,454	(62,454)	-	-
Other restricted funds	-	140,204	(140,204)	-	-
Pension reserve	(4,200,000)	-	(2,359,000)	(1,541,000)	(8,100,000)
	<u>(4,200,000)</u>	<u>15,117,270</u>	<u>(16,846,577)</u>	<u>(1,484,340)</u>	<u>(7,413,647)</u>
Restricted fixed asset funds					
DfE group capital grants	57,946	243,062	(275,069)	(33,038)	(7,099)
Capital expenditure from GAG	20,138,172	10,804,473	(675,652)	46,984	30,313,977
Private sector capital sponsorship	5,840	-	(5,840)	-	-
	<u>20,201,958</u>	<u>11,047,535</u>	<u>(956,561)</u>	<u>13,946</u>	<u>30,306,878</u>
Total restricted funds	<u>16,001,958</u>	<u>26,164,805</u>	<u>(17,803,138)</u>	<u>(1,470,394)</u>	<u>22,893,231</u>
Unrestricted funds					
General funds	371,207	871,059	(466,056)	(20,606)	755,604
School fund	84,922	208,494	(78,181)	-	215,235
HSSP	94,480	190,874	(214,572)	-	70,782
Sports and leisure activities	170,284	201,836	(228,786)	(50,000)	93,334
	<u>720,893</u>	<u>1,472,263</u>	<u>(987,595)</u>	<u>(70,606)</u>	<u>1,134,955</u>
Total funds	<u>16,722,851</u>	<u>27,637,068</u>	<u>(18,790,733)</u>	<u>(1,541,000)</u>	<u>24,028,186</u>

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 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 £70,606 have been made from unrestricted funds to address the GAG deficit in the year. £4,378 of GAG funding was used to acquire tangible fixed assets in the year and £9,568 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 2021.

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 £46,985 have been made in the year, £4,378 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.

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 2021

19 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	64,501	9,383,857	(9,678,640)	230,282	-
Pupil premium	-	263,750	(263,750)	-	-
Other DfE / ESFA grants	-	617,785	(617,785)	-	-
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>
Restricted fixed asset funds					
DfE group capital grants	30,232	87,276	(5,195)	(54,367)	57,946
Capital expenditure from GAG	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>
Total restricted funds	<u>17,321,544</u>	<u>10,935,795</u>	<u>(12,176,691)</u>	<u>(78,690)</u>	<u>16,001,958</u>
Unrestricted funds					
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>
Total funds	<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 2021

19 Funds

(Continued)

Total funds analysis by academy

	2021 £	2020 £
Fund balances at 31 August 2021 were allocated as follows:		
Hinchingbrooke School	732,960	552,351
Cromwell Academy	200,251	168,542
Godmanchester Bridge Academy	424,641	-
Godmanchester Community Academy	463,456	-
Central services	-	-
Total before fixed assets fund and pension reserve	1,821,308	720,893
Restricted fixed asset fund	30,306,878	20,201,958
Pension reserve	(8,100,000)	(4,200,000)
Total funds	24,028,186	16,722,851

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 2021 £	Total 2020 £
Hinchingbrooke School	7,497,344	1,978,396	444,013	1,927,638	11,847,391	11,281,181
Cromwell Academy	646,614	167,759	31,100	149,128	994,601	925,060
Godmanchester Bridge Academy	716,699	63,751	30,796	223,953	1,035,199	-
Godmanchester Community Academy	1,299,539	352,872	43,494	1,971,101	3,667,006	-
Central services	283,909	224,743	100	61,145	569,897	444,167
	10,444,105	2,787,521	549,503	4,332,965	18,114,094	12,650,408

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	30,313,977	30,313,977
Current assets	2,246,616	581,989	89,485	2,918,090
Creditors falling due within one year	(1,095,232)	-	(8,649)	(1,103,881)
Defined benefit pension liability	-	(8,100,000)	-	(8,100,000)
Total net assets	1,151,384	(7,518,011)	30,394,813	24,028,186

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
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)
Total net assets	720,893	(4,200,000)	20,201,958	16,722,851

21 Pension and similar obligations

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

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

Contributions amounting to £217,929 (2020: £176,370) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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.

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

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 £1,431,242 (2020: £1,158,025).

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

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

Local Government Pension Scheme

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

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

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 2021

21 Pension and similar obligations (Continued)

Total contributions made	2021 £	2020 £
Employer's contributions	516,000	357,000
Employees' contributions	160,000	112,000
Total contributions	676,000	469,000
Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.4	2.7
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021 Years	2020 Years
Retiring today		
- Males	22.2	22
- Females	24.4	24
Retiring in 20 years		
- Males	23.2	22.7
- Females	26.2	25.5

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

	2021 £'000	2020 £'000
0.1% decrease in Real Discount Rate	496	317
1 year increase in member life expectancy	800	N/A
0.1% increase in the Salary Increase Rate	23	79
0.1% increase in the Pension Increase Rate	467	297

Defined benefit pension scheme net liability	2021 £	2020 £
Scheme assets	11,924,000	8,170,000
Scheme obligations	(20,024,000)	(12,370,000)
Net liability	(8,100,000)	(4,200,000)

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

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

	2021 Fair value £	2020 Fair value £
Equities	7,989,000	5,719,000
Bonds	2,027,000	899,000
Cash	239,000	327,000
Property	1,669,000	1,225,000
Total market value of assets	11,924,000	8,170,000

The actual return on scheme assets was £1,934,000 (2020: £31,000).

Amount recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	1,314,000	889,000
Interest income	(165,000)	(151,000)
Interest cost	268,000	220,000
Total operating charge	1,417,000	958,000

Changes in the present value of defined benefit obligations

	2021 £	2020 £
At 1 September 2020	12,370,000	11,064,000
Transferred in on existing academies joining the academy trust	2,709,000	-
Current service cost	1,314,000	889,000
Interest cost	268,000	220,000
Employee contributions	160,000	112,000
Actuarial loss	3,310,000	162,000
Benefits paid	(107,000)	(77,000)
At 31 August 2021	20,024,000	12,370,000

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

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

	2021 £	2020 £
At 1 September 2020	8,170,000	7,747,000
Transferred in on existing academies joining the academy trust	1,251,000	-
Interest income	165,000	151,000
Actuarial (gain)/loss	1,769,000	(120,000)
Employer contributions	516,000	357,000
Employee contributions	160,000	112,000
Benefits paid	(107,000)	(77,000)
At 31 August 2021	11,924,000	8,170,000

22 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	1,159,334	1,263,296	2,422,630
Loans falling due within one year	(8,333)	1,234	(7,099)
Loans falling due after more than one year	(8,334)	8,334	-
	1,142,667	1,272,864	2,415,531

23 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 £93,088 (2020: £72,794) 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 £3,632 (2020 : £4,700).

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

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

24 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.

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

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	8,846,335	(1,079,417)
Adjusted for:		
Net surplus on transfer of academy in the trust	(10,195,777)	-
Capital grants from DfE and other capital income	(243,062)	(93,116)
Investment income receivable	(299)	(801)
Finance costs payable	227	244
Defined benefit pension costs less contributions payable	798,000	532,000
Defined benefit pension scheme finance cost	103,000	69,000
Depreciation of tangible fixed assets	675,652	438,554
(Increase)/decrease in debtors	(154,338)	147,084
Increase/(decrease) in creditors	397,673	(395,437)
Stocks, debtors and creditors transferred on conversion	28,436	-
Net cash provided by/(used in) operating activities	255,847	(381,889)

26 Transfer of existing academies into the academy trust

Godmanchester Community Academy

	Transfer in recognised £
Net assets acquired	
Tangible fixed assets	2,979,649
Cash and cash equivalents	374,654
Pension scheme	(1,458,000)
Total net assets	1,896,303

There were no fair value adjustments required to the values reported by the transferring trust.

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Transfer of existing academies into the academy trust (Continued)

Godmanchester Bridge Academy

	Transfer in recognised £
Net assets acquired	
Tangible fixed assets	7,824,824
Cash and cash equivalents	446,214
	<hr/>
Total net assets	8,271,038
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There were no fair value adjustments required to the values reported by the transferring trust.

In addition to the funds transferred above, a proportion of central services funds from the previous MAT were transferred based on pupil numbers within each academy. This transfer amounted to £28,436 resulting in a combined total transfer of £10,195,777 of which £11,653,777 is shown as income and £(1,458,000) is shown as expenditure (being pension liability) in the statement of financial activities.

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