



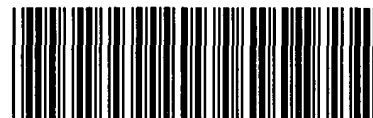
AIM Academies Trust

Report and Financial Statements

31 August 2021

Company Limited by Guarantee
Registration Number
04389132 (England and Wales)

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Reference and administrative information

Members	P Shalson J Menell P O'Hear R Hatter D Meller K Hathaway G Wyatt
Directors	P Shalson (Sponsor) P McGrath P O'Hear (Chair) Dr M H Platt J Menell (Vice Chair) M B Shalson M H Van Praagh N J Portelli S J Poliins Lord Leigh of Hurley S Kahan
Executive Principal	P McGrath
Chief Finance Officer	B Wythe
Director of Academies	C Mitchell
Director of HR	L Cook
Registered office	London Academy Spur Road Edgware Middlesex HA8 8DE
Company registration number	04389132 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds TSB 190 Great Portland Street London W1A 4LN

Directors' report (incorporating a strategic report) Year to 31 August 2021

The directors of AIM Academies Trust (the Academy Trust) (the Company), who are also trustees of the Academy Trust for the purposes of the Charities Act, present their statutory report and the audited financial statements for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report under charity law and a directors' report under company law.

The report has been prepared in accordance with Part 8 of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies on pages 38 to 43 of the attached financial statements, and comply with the Academy Trust's memorandum and articles of association, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Background and constitution

The Academy Trust is a company limited by guarantee (company registration number 04389132) which was established on 7 March 2002. The Academy Trust's memorandum and articles of association are the primary governing documents of the Academy Trust.

On 27 March 2013 the directors of the Academy Trust, who under the articles of association in force at the time were referred to as the Governors, signed a new Master Funding Agreement with the Secretary of State for Education enabling the Academy Trust to operate a number of academies. Under the Master Funding Agreement, the Academy Trust is required to enter a supplemental agreement relating to each academy the Academy Trust operates. Supplemental agreements were signed in respect of the London Academy, an Academy that the Academy Trust has operated since 2004 and Deansbrook Junior School, a school which was previously operated by the London Borough of Barnet Council, which converted into an Academy with effect from 1 April 2013.

As part of this process the directors passed a resolution to adopt the new Multi Academy Model Mainstream articles of association approved by the Secretary of State for Education.

Members

Under the articles of association the members of the Academy Trust shall comprise the signatories to the memorandum; up to three persons who may be appointed by the Principal Sponsor; the chairman of the directors; and any persons appointed by the members by passing a special resolution in writing to appoint such additional members as they think fit provided that such appointment is in the interests of the Academy Trust.

Directors' report (incorporating a strategic report) Year to 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Members' liability

The Academy Trust is a company limited by guarantee, without share capital, and an exempt charity. Every member of the Academy Trust undertakes to contribute to the assets of the Academy Trust in the event of it being wound up while she/he is a member, or within one year after she/he ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before she/he ceases to be a member.

Directors

Under the articles of association of the Academy Trust, the number of directors shall be not less than three, but unless otherwise determined by ordinary resolution, shall not be subject to any maximum. The Academy Trust shall have up to ten directors appointed by members; two Academy Directors from each Academy, subject to certain limits; two Parent Directors, unless the Local Governing Bodies (see below) include at least two parent members; and the Executive Principal should one be appointed. The Academy Trust may also have Co-opted Directors appointed by the directors subject to certain restrictions. The total number of directors including the Executive Principal who are employees of the Academy Trust shall not exceed one third of the total number of directors.

The term of office for any director shall be four years save that this time limit shall not apply to the Executive Principal. Subject to remaining eligible to be a particular type of director, any director may be re-appointed or re-elected.

A director shall cease to hold office if she/he resigns her/his office by notice to the Academy Trust; or if she/he is removed by the person or persons who appointed him, unless she/he is a Parent Director.

The following directors were in office during the year to 31 August 2021 and served up to the date of this report as stated below:

Directors	#
P Shalson	#
P O'Hear	#
Dr M H Platt	#
Lord Leigh of Hurley	#
P McGrath	#
J Menell	#
M B Shalson	#
M H Van Praagh	#
N J Portelli	#
SJ Pollins	#
S Kahan	#

During the period under review the directors held three meetings (2020 – three).

Directors' report (incorporating a strategic report) Year to 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors (continued)

One director receives remuneration in respect of services they provide undertaking the role of Executive Principal and not in respect of their services as director. The remuneration of this director is shown in note 9 to the financial statements. Other directors do not receive any payments, other than expenses, from the Academy Trust in respect of their role as directors. During the year to 31 August 2021, no expenses were paid to Directors (2020 - £1,875).

Training of directors

The Academy Trust has kept directors up to date with sector developments including safeguarding this year. The Covid-19 pandemic has meant that the Academy Trust has been unable to conduct regular director training as normal.

Management

As a charity and company limited by guarantee, the Academy Trust is governed by the directors who are responsible for, and oversee, the management and administration of the Academy Trust and the academies operated by the Academy Trust.

The directors are accountable to external government agencies including the Charity Commission and the Department for Education (including any successor bodies) for the quality of the education they provide and they are required to have systems in place through which they can assure themselves of quality, safety and good practice.

The directors delegate a number of functions to the local governing body ("LGB"), of each academy the Academy Trust operates. The LGBs are established to ensure the good governance of each academy. The local governors are people with appropriate skills and knowledge to serve on a board. A Scheme of Delegation for each Academy explains the ways in which the directors fulfil their responsibilities for the leadership and management of the Academy, the respective roles and responsibilities of the directors and the members of the LGB and the commitments to each other to ensure the success of the Academy Trust.

The chair of each LGB are appointed as directors of the Academy Trust and are referred to as Academy Directors.

The directors have appointed Paddy McGrath as Executive Principal of the Academy Trust. Each Academy has a Headteacher/ Principal of the Academy.

Directors' report (incorporating a strategic report) Year to 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

The Trust Board determines the pay range to be advertised, and agree pay on appointment, taking into consideration the full responsibilities of the role. All teaching staff salaries, including those of the Executive Principal, Head Teacher/Principal, deputy head(s) and assistant head(s) are reviewed annually to take effect from 1 September. The pay committee reviews pay in accordance with the latest performance review. The pay committee determines the pay of support staff in accordance with the School Staffing (England) Regulations 2009.

The Trust Board acts with integrity, confidentiality, objectivity and honesty in the best interests of the Academy; and is open about decisions made and actions taken, and is prepared to explain decisions and actions to interested persons. Its procedures for determining pay are consistent with the principles of public life: objectivity, openness and accountability.

Key management personnel comprise the directors and the senior management team as listed on page 1.

Trade union facility time

The Academy Trust had no trade union officials in the year incurring time spent on facility time.

Engagement with employees (including disabled persons)

The Academy Trust recognises that communication and engagement with staff in a school setting is crucial for advancing educational outcomes. All schools within the Academy Trust hold regular meetings between all staff and leadership, both to provide employees with information and to consult them on potential changes. Teaching staff in particular are keenly aware of the determining factors affecting the performance of the Trust, in addition to how educational outcomes can and do affect financial performance.

The Executive Principal is the main conduit for relaying key decisions taken at Trust Board level to staff, and for feeding back to the Trust Board on questions and issues. In the year to 31 August 2021 these decisions have included admissions numbers, staff pay, responses to the Covid-19 pandemic and preparation for Ofsted. Staff representatives will sit on the three LGBs to provide a formal mechanism for interaction between staff and directors.

Covid-19 has presented a significant additional challenge for the Academy Trust, which warranted additional measures to engage meaningfully with employees to understand their perspective on safety measures in schools. Throughout the year to 31 August 2021 risk assessments have been updated in line with changing government guidance, communicated to staff via Principals who have collated and reported feedback to the Executive Team.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Engagement with employees (including disabled persons) (continued)

The Academy Trust continues to be an equal opportunities employer, as set out in its hiring procedures and Equality statement. Should any member of staff become disabled, or with reference to Covid-19 should they be considered clinically extremely vulnerable, the necessary individual assessments would be made by the HR Director in collaboration with the Executive Principal, to ensure that equality is maintained on behalf of the Trust Board.

Engagement with suppliers, customers and others in a business relationship with the trust

The Academy Trust has considered its business relationship with suppliers, customers and others during the year to 31 August 2021. Clearly the biggest impact on these relationships has been the Covid-19 pandemic and its impact on, for example, the supply chain and availability of workers. The Academy Trust has worked closely with suppliers of labour, such as supply agencies, catering and cleaning companies, to ensure that Government relief schemes are being used in the correct manner, and also that the financial burden of the pandemic does not fall unfairly on the Trust. The directors have discussed the financial implications of Covid-19 for the Trust and for key suppliers, and have worked to ensure continuity on a case-by-case basis.

During the year to 31 August 2021, a combination of factors including Covid-19 and Brexit have led to staff shortages for suppliers of the Academy Trust, including catering, cleaning and short-term supply. This has in turn necessitated a more collaborative approach with these suppliers, prompting them to work with the Academy Trust to deal with short-term but potentially critical shortages as they have arisen.

The Trust Board chair and Executive Principal meet with the Regional Schools Commissioners Office on behalf of the Trust Board to undertake the annual trust review, and communication with the Department for Education, Local Authorities and the Education Skills Funding Agency on a day-to-day basis is conducted by the Executive Principal. Where significant questions are raised, such as the request to lease space at AIM North London to another school or the consideration to expand the size of the Trust, these are discussed and agreed with the Trust Board.

Directors' report (incorporating a strategic report) Year to 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management

The directors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academies, and its finances. The directors have implemented a number of systems to assess risks that the Academies face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finances.

Covid-19 necessitated a number of additional risk assessments over the course of the year, to reflect evolving Government guidance. Directors have ensured that this guidance was followed, and put in place a number of measures early in the course of the pandemic (such as purchasing face coverings for all staff and students) to mitigate risk both of the illness itself, and associated financial risk. Directors were involved in the risk management process around re-opening schools at the end of the year ended 31 August 2020 and into the following year, and ensured that current systems (health and safety etc.) were able to cope with rapidly changing requirements.

They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remain they have ensured they have adequate insurance cover, changing the majority of this cover to be under the Risk Protection Arrangement during the year ended 31 August 2021. The Academy Trust has an effective system of internal financial controls which is explained in more detail in the following sections.

Directors' report (incorporating a strategic report) Year to 31 August 2021

OBJECTIVES AND ACTIVITIES

Aims and objectives

Under the articles of association, the principal object of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the mainstream Academies) offering a broad and balanced curriculum.

The main activity of the Academy Trust since 1 September 2004 was the operation of the London Academy to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on business, enterprise and information technology. Deansbrook Junior School joined the Academy Trust in 2013, providing a happy, safe and caring environment in which children between the ages of 7 and 11 can achieve their full potential.

Multi academy status has been founded on a strong resonance of values and mission to ensure that any child can succeed through learning. AIM North London joined the Academy Trust in 2019 as a struggling secondary school in Enfield which the Academy Trust is working to improve in line with its broader objectives.

The Academy Trust aims to meet the educational needs of its community by providing a high quality, flexible learning environment from KS2 to KS5 in which students will be among the Leaders for Tomorrow.

The main objectives of the Academy Trust are summarised below:

- ◆ to raise the standard of educational achievement of all pupils;
- ◆ to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- ◆ to improve the effectiveness of each Academy by keeping the curriculum and organisational structure under continual review;
- ◆ to provide value for money for the funds expended;
- ◆ to comply with all appropriate statutory and curriculum requirements;
- ◆ to maintain close links with industry and commerce; and
- ◆ to conduct business in accordance with the highest standards of integrity, probity and openness.

Directors' report (incorporating a strategic report) Year to 31 August 2021

OBJECTIVES AND ACTIVITIES (continued)

Strategies and activities

Through partnership, challenge, support and collaboration the Academy Trust will support all of its Academies to realise the vision of delivering and achieving outstanding outcomes for every child.

To this end the activities provided include:

- ◆ tuition and learning opportunities for all students to attain appropriate academic qualifications;
- ◆ training opportunities for all staff;
- ◆ secondments and placing of students with industrial and commercial partners;
- ◆ a programme of sporting and after-school activities for all students; and
- ◆ careers advice to help students obtain employment or move on to higher education.

The local governors are responsible for ensuring that on behalf of the directors, high standards of corporate governance are maintained. The directors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of each Academy, addressing such matters as:

- ◆ the development of each academy in line with the Trust and the Academy's strategic priorities and vision;
- ◆ monitoring, evaluation and improvement of teaching and learning;
- ◆ standards and key performance indicators for each Academy;
- ◆ establishing and maintaining effective internal controls;
- ◆ monitoring the use of budgets;
- ◆ making major decisions about the direction of each Academy
- ◆ senior staff appointments;
- ◆ the management of all resources;
- ◆ the monitoring of performance;
- ◆ setting the Trust's standards of conduct and values;
- ◆ assessing and managing risk.

The Academies aim to meet the educational needs of its community by providing a high quality, flexible learning environment in which technology plays a key role.

Directors' report (incorporating a strategic report) Year to 31 August 2021

OBJECTIVES AND ACTIVITIES (continued)

Key Values

- ◆ Respect
- ◆ Responsibility for ourselves and others
- ◆ Integrity (honesty and respect)
- ◆ Good citizenship
- ◆ Creativity
- ◆ Scholarship

Public benefit

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy Trust's objectives and aims and in planning future activities for the year. The directors consider that the Academy Trust's aims are demonstrably to the public benefit.

Working with other organisations

The Academy Trust is working closely with the Department for Education (DfE), the Education and Skills Funding Agency (ESFA) and the Local Education Authority. Other local community links include Education Business Partnership, Community Trust Steering Group, Primary Partnerships, Safer Neighbourhood Panel and the Coaching Collective.

Equal opportunities

The directors understand that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunities in all areas of its activities including creating an environment in which the contribution and needs of the people are fully valued.

Disabled persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academies. The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by adapting the physical environment, by making support resources available and through training and career development.

Personnel

The Academy Trust has implemented a detailed policy in relation to personnel matters including a special leave policy.

Directors' report (incorporating a strategic report) Year to 31 August 2021

STRATEGIC REPORT

Achievements and performance

AIM Academies Trust exists to transform tradition by developing Leaders for Tomorrow.

The Academy Trust was formed as a partnership between Deansbrook Junior School and London Academy with a singular, shared vision that with excellent teaching any child can achieve. AIM North London joined this family in 2019.

The Academy Trust has been inspired to build up a broad network of partnerships to aid and develop student opportunity, experience, drive and success. It is the belief of the Academy Trust that there should be no barriers to each child's future and no limits to what they can achieve.

Children can join the Trust from age 4 in reception and continue their education to age 19 with the guarantee of an exceptional education experience.

As was also the case in the previous year, Covid-19 has caused significant disruption to the education of the children within the Academy Trust. Examinations have been unable to take place, and schools were required to submit Teacher Assessed Grades. The process for this, and the controls in place to ensure fairness, were overseen by the Executive Principal. A summary of examination results under these circumstances is given below, and these demonstrate the significant progress the Academy Trust is continuing to make.

London Academy (GCSE)

Measure	2016/17	2017/18	2018/19	2019/20	2020/21
English 5+	58%	70%	77%	82%	86%
Mathematics 5+	43%	56%	60%	70%	75%
English and Mathematics 5+	39%	51%	57%	67%	73%
2* Science Element (Standard)		56%	71%	84%	91%
EBACC	16%	19%	21%	47%	61%
Attainment 8	43.31	48.95	52.14	61.01	63.44

Directors' report (incorporating a strategic report) Year to 31 August 2021

STRATEGIC REPORT (continued)

Achievements and performance (continued)

AIM North London (GCSE)

Measure	Predecessor School 2019	National Average 2019	AIM North London 2020	AIM North London 2021
English 5+	23%	61%	46%	60%
Maths 5+	12%	49%	35%	47%
English and Maths 5+	10%	43%	32%	45%
Science 4+	26%	65%	45%	54%
EBACC (3+)		20%	21%	29%
Attainment 8	26.4	46.7	36.3	42.8

Note that neither Secondary Academy is reporting its Progress 8 score for the year to 31 August 2021. However, estimated scores reflect a sustained increase in this metric.

Deansbrook Junior School

Year	2018/19 National Average	2017/18	2018/19	2020/21
Expected Reading, Writing & Maths	65	79	65	63
Higher Reading, Writing & Maths	11	18	11	9
Expected Reading	73	86	76	73
Higher Reading	27	37	23	27
Expected Maths	79	91	87	83
Higher Maths	27	40	30	33
Average Score Reading	104	108	105	102

Directors' report (incorporating a strategic report) Year to 31 August 2021

Average Score	105	108	107	103
Maths				

STRATEGIC REPORT (continued)

Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the Academy 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 Principal Accounting Policies.

Promoting the success of the company

The directors have considered the academic outcomes, safeguarding performance and financial stability of the Trust as the core factors that determine the success of the Academy Trust. These three factors form the basis of each Trust Board and LGB meeting, and are reported on and discussed at length. The directors have undertaken to engage with stakeholders in these meetings and to challenge the conclusions, while guiding the Executive Principal, Chief Operating Officer and others in key decisions. Ultimately the Trust Board have made decisions around budgeting pay, admissions and the steady growth of the Academy Trust which provide the environment for educational staff to drive exceptional academic results. The directors have been able to consider the bigger picture of issues such as Brexit (and its impact on the supply chain) and Covid-19, and the impact of the Academy Trust on local communities, to continue to improve the effectiveness of each Academy they serve.

Key performance indicators

Financial

The principal risk for the Academy Trust in a financial sense remains student numbers. The Academies remain popular and student numbers have continued to grow, however the Academy Trust is aware that there are many factors, including Brexit and demographic change, which will put pressure on these numbers in future years.

Increases are fully reflected in student year groups through Year 7 to Year 11 at London Academy, maximising student funding entitlement. The year to 31 August 2021 was the first year in which all year groups were filled. At sixth form, despite competition from a range of local providers, London Academy is one of the largest in the borough. The Academy remains aware that this popularity is based upon several key components, including results and reputation, and it prioritises these areas using appropriate marketing tools.

AIM North London has historically struggled with student numbers, due in large part to its prior academic performance and the challenging communities which it serves. However the focus on improving outcomes has been successful to date, particularly given the added challenges brought by Covid-19, and this has been reflected in the intake numbers for the year to 31 August 2021.

Deansbrook Junior School currently has strong student numbers, but again the Academy Trust is aware of changes in the local community which mean this remains a key risk.

Directors' report (incorporating a strategic report) Year to 31 August 2021

STRATEGIC REPORT (continued)

Key performance indicators (continued)

Financial (continued)

While the Academies remain in surplus positions, London Academy significantly so, the focus has remained on setting a balanced or surplus budget going forward. The Academies have benefited from reduced expenditure in the year to 31 August 2021 as a consequence of Covid-19 which is likely to return to normal. Given this, and the student number risk outlined above, the Trust Board has discussed the potential to utilise reserves in future years. Most significantly in terms of expenditure, the Academy Trust has not required the same level of agency staff as a consequence of Covid-19, and has not been able to undertake the expected level of capital projects. Similarly, the cost of examination entries and administration has been significantly reduced.

The financial statements have been prepared in accordance with the current statutory requirements, the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA) and the Academy Trust's governing documents.

Most of the Academy Trust's income is obtained from the ESFA, an agency of the DfE, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academies also receive grants and donations for fixed assets from the ESFA and the local authority. In accordance with the ESFA Accounts Direction, such grants are shown in the Statement of Financial Activities as restricted income of the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Academy Trust's total income for the year ended 31 August 2021 amounted to £20.05m (2020 – £35.33m) represented primarily by ESFA revenue grant funding of £18.14m (2020 – £17.35m) to cover the Academy Trust's educational operations.

During the year ended 31 August 2021, total expenditure was £20.57m (2020 – £19.961m).

The net income for the year excluding restricted fixed asset funds but including the transfer to the fixed assets fund was £0.25m (2020 – net expenditure £0.236m excluding the transfer of AIM North London).

At 31 August 2021 the net book value of fixed assets was £57.292m (2020 – £57.289m). Movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

Directors' report (incorporating a strategic report) Year to 31 August 2021

STRATEGIC REPORT (continued)

Key performance indicators (continued)

Financial and risk management objectives and policies

The Academy Trust has cash balances and other working capital balances. The main risk arising from the use of financial instruments is liquidity risk.

Liquidity risk

The Academy Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk

In the absence of borrowings and with low prevailing interest rates, the Academy Trust is not exposed to significant interest rate risk.

Other risks

The Academy Trust is exposed to price risks, but is funded by government on the same basis as other academies and budgets accordingly. Nearly all funding comes from government so credit risk is considered to be negligible.

The directors recognise that the Academy Trust needs to hold reserves for a range of reasons, the most common of which are given below:

- ◆ a contingency fund to deal with minor adjustments to expenditure from a range of budget areas, e.g. underestimate of examination fees. It is the Academy Trust's policy to build up reserves which can be used for future education purposes in line with the development plan; and
- ◆ the deficit in the pension fund for support staff.

The directors recognise that reserves have increased significantly across the current and prior years. Directors will continue to ensure that increasing reserves does not take priority over educational outcomes, and consider the reserves to be a reasonable response to the risks set out above, particularly student numbers. The increase in the size of the Academy Trust in the years to 31 August 2020 and 2021, and the corresponding increase in risk, have made an increase to reserves prudent, where it can be achieved without compromising other priorities. The directors will ensure that the reserves policy continues to conform to the guidance given by the ESFA.

Financial position

The Academy Trust held reserves of £54.261m (2020 – £54.99m) at 31 August 2021, comprising £52.526m (2020 – £53.35m) of restricted funds (which includes a pension reserve deficit of £7,032m (2020 – £6.22m) and free reserves of £1.735m (2020 – £1.64m) represented by the unrestricted general funds.

Directors' report (incorporating a strategic report) Year to 31 August 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have assessed the major risks and uncertainties to which the Academy Trust is exposed, in particular those relating to recruitment, provision of facilities, academy finances and other academy functions. Key risks and uncertainties identified include changes and reductions in funding for capital projects and uncertainties in funding.

FUNDRAISING

Under the provisions of the Charities (Protection and Social Investment) Act 2016 this section must include information on fundraising practices. The areas to cover are included in section 13 of the Act and include:

- ◆ approach to fundraising
- ◆ work with, and oversight of, any commercial participators/ professional fundraisers
- ◆ fundraising conforming to recognised standards
- ◆ monitoring of fundraising carried out on its behalf
- ◆ fundraising complaints
- ◆ protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

The Academy Trust only held small fundraising events during the year including school fetes, plays, concerts, non-uniform days. The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Directors' report (incorporating a strategic report) Year to 31 August 2021

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	
Energy consumption used to calculate emissions (kWh)	3,714,619
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none"> • gas, • electricity, • transport fuel 	
<u>Scope 1 emissions in metric tonnes CO2e</u> Gas consumption Owned transport – mini-buses <u>Total</u> <u>scope 1</u>	330.564.45 335.01x
<u>Scope 2 emissions in metric tonnes CO2e</u> Purchased electricity	674.88
<u>Scope 3 emissions in metric tonnes CO2e</u> Business travel in employee owned vehicles	
Total gross emissions in metric tonnes CO2e	1,009.89
<u>Intensity ratio</u> Tonnes CO2e per pupil	0.39x

Quantification and Reporting Methodology

We have measured and reported our greenhouse gas emissions using the kwh figures provided to us by our energy supplies on a monthly basis, converting these using information from the National Energy Foundation.

Intensity measurement

As a Multi-Academy Trust our primary objective is the education of the pupils in our care. The number of pupils in our schools is the predominant factor that drives our income and expenditure, and we measure our energy performance against pupil numbers to provide meaningful performance indicators.

Measures taken to improve energy efficiency

In the last year we have focussed on setting a more consistent and direct approach to maintaining our Mechanical and Electrical systems by adopting the professional maintenance standard -SFG20. In doing so, we have optimised our plant to save energy and improve efficiency, and are looking to complete an overhaul of our Building Management System to make use of modern efficiencies. We have also continued to invest in replacing/repairing

Directors' report (incorporating a strategic report) Year to 31 August 2021

faulty cooling systems and automated controls, to minimise electricity waste and prevent unauthorised usage.

STREAMLINED ENERGY AND CARBON REPORTING (continued)

Measures taken to improve energy efficiency (continued)

Other examples of our commitment to improve energy efficiency have included; reducing the number of short school minibus journeys, encouraging staff to switch off electrical equipment when not in use and auditing high level manual window controls to prevent heat loss.

Moving forward we have begun to identify further actions and opportunities we can take to reduce the Trust's carbon footprint and continue our efforts to increase sustainability. Currently, we are investigating installing LED light fittings in all buildings, replacing inefficient heating circulating pumps and implementing regular inspections of the building fabric to check on the condition of insulation, sealing measures and removal of accidental ventilation paths. We are looking to maximise our involvement in the Government's decarbonisation schemes and funding.

PLANS FOR FUTURE PERIODS

Our plan is to continue to grow, and we will consider adding new schools to the Trust where they align with our mission. We are committed to the Trust being geographically sensible, as this should facilitate sharing of services and professional expertise.

The acceptance of a school within the Trust will be dictated by a process of due diligence which takes account of the following factors:

- ◆ The quality and capacity of the current governance arrangements.
- ◆ The current and longer-term financial position of the school and the state of its' assets.
- ◆ The standard of education and the staff profile.
- ◆ The student profile and recent trends, changes in demographics and levels of disadvantage
- ◆ The current pupil roll and future pupil planning data.

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

The Academy Trust did not hold any funds as custodian on behalf of others.

AUDITOR

Each of the directors confirms that:

- ◆ so far as the director is aware, there is no relevant audit information of which the Academy Trust's auditor is unaware; and
- ◆ the director has taken all the steps that she/he ought to have taken as a director in order to make herself/himself aware of any relevant audit information and to establish that the Academy Trust's auditor is aware of that information.

Directors' report (incorporating a strategic report) Year to 31 August 2021

Directors' reports, incorporating a strategic report, were approved by order of the members of the board of directors on 23 December 2021 and signed on its behalf by:


PHILIP O'HEAR

Philip O'Hear
Director

AIM Academies Trust
Company Registration Number: 04389132 (England and Wales)

Governance statement Year to 31 August 2021

Scope of responsibility

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

The directors have delegated the day-to-day responsibility to the Executive Principal, 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 master funding agreement between the Academy Trust and the Secretary of State for Education. The Executive Principal is also responsible for reporting to the directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the directors' report and in the statement of directors' responsibilities.

As described in the directors' report, the directors delegate a number of functions to the local governing body (LGB) of each Academy. These LGBs meet as appropriate throughout the year in order to govern the affairs of the individual Academies. As described in the directors' report, the chair of the LGBs is also a director of the Academy Trust.

The Trust Board has begun an internal skills audit which will conclude in early 2022. One director has re-joined the Board, and there have been no other changes to directors or members.

The directors have formally met three times during the year. Attendance during the year at meetings of the directors is given below:

	Number of meetings attended	Out of a possible
Directors		
P Shalson	3	3
P O'Hear	3	3
Dr M H Platt	3	3
Lord Leigh	3	3
J Menell	3	3
M B Shalson	3	3
S Pollins	3	3
M H Van Praagh	3	3
N J Portelli	2	3
P McGrath	3	3
S Kahan	1	1
Others – non directors attending		
A Warburton	3	3
A Trigg	3	3
B Wythe	3	3

Governance statement Year to 31 August 2021

Review of value for money

As Accounting Officer, the Executive 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 has considered PPN 02/20 and 04/20 in relation to Covid-19. Since funding continued for schools, the impact on income for the Academy Trust was relatively minimal, affecting lettings income. The Academy Trust was in contact with suppliers and made arrangements with a small number to continue paying as normal, such as agencies and catering providers. There was very little impact on Value for Money, as the Academy Trust was able to continue operating its usual procurement processes throughout the pandemic.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during the academic year, and reports to the directors where value for money can be improved, including the use on benchmarking data where available. The Accounting Officer for the Academy Trust has delivered and improved value for money during the year by:

- ◆ Outcomes at KS2, KS4 and KS5, which indicate that the use of the pupil premium has been highly effective in that young people exceed not only national figures for disadvantaged students but in many instances perform better than non-disadvantaged students nationally and within the Academies.
- ◆ Building projects in all three Academies have been tightly managed and brought to successful completion within budget and to a high standard.
- ◆ Overall outcomes in Deansbrook Junior School and London Academy exceed national averages, and initial progress at AIM North London is strong. In addition, we have a high proportion of young people at London Academy now progressing to Russell Group Universities as a direct result of targeted interventions such as ACCESS, Brilliant Club, Future First, Careers Academy and summer masterclasses.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's 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 at the Academy Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Governance statement Year to 31 August 2021

Capacity to handle risk

The directors 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 directors are of the view that there is an ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the LGBs and reported to the directors.

The risk and control framework

The Academy 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 Trust Board
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties;
- ◆ identification and management of risks.

The board are responsible for the internal reviews of financial procedures at the Academy Trust. They have outsourced to Buzzacott LLP the responsibility of performing the checks, as suggested by the Academies Handbook. The revised FRC Ethical Standard states that a firm providing external audit to an entity shall not also provide internal audit services to it. As such, the Finance and Audit Committee of the Trust Board have decided to appoint Kreston Reeves to undertake the internal audit function for the year to 31 August 2021. Kreston Reeves conducted two Internal Audits in the year to 31 August 2021, with the scope set by the Finance & Audit committee. Their findings and management responses were reported to and discussed by the committee, and the Accounting Officer and Chief Financial Officer acted on their recommendations making changes to processes where appropriate.

Buzzacott LLP will continue as the external audit provider.

Approved by order of the directors and signed on their behalf by:



Philip O'Hear
Chair of directors



Paddy McGrath
Executive Principal and Accounting Officer

Approved on: 23 December 2021

AIM Academies Trust
Company Registration Number: 04389132 (England and Wales)

Statement on regularity, propriety and compliance Year to 31 August 2021

As Accounting Officer of AIM Academies Trust I have considered my responsibility to notify the Academy Trust directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook.

I confirm that I and the Academy Trust directors 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.

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.



Paddy McGrath

Accounting Officer and Executive Principal

Date: 23 December 2021

AIM Academies Trust

Company Registration Number: 04389132 (England and Wales)

Statement of directors' responsibilities Year to 31 August 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the directors 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 judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in operation.

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

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

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

Statement of directors' responsibilities Year to 31 August 2021

Approved by order of the directors and signed on its behalf by:



PHILIP O'HEAR

Philip O'Hear
Chair of directors

Date: 23 December 2021

AIM Academies Trust
Company Registration Number: 04389132 (England and Wales)

Independent auditor's report Year to 31 August 2021

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

Opinion

We have audited the financial statements of AIM Academies (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Independent auditor's report Year to 31 August 2021

Conclusions relating to going concern (continued)

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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the directors' report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the directors' report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

Independent auditor's report Year to 31 August 2021

- ♦ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

Matters on which we are required to report by exception (continued)

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

Responsibilities of the directors'

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- ♦ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

Independent auditor's report Year to 31 August 2021

- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;

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

- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of directors' meetings and papers provided to the directors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- ◆ To address the risk of fraud through management bias and override of controls, we:
- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;

Independent auditor's report Year to 31 August 2021

- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and

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

- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of [trustees' / governors'] meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

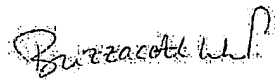
There are inherent limitations in our audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify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

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

Independent auditor's report Year to 31 August 2021

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.



Shachi Blakemore (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP,

Statutory Auditor

130 Wood Street

London EC2V 6DL

Date: 23 December 2021

Independent reporting accountant's report Year to 31 August 2021

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

In accordance with the terms of our engagement letter dated 25 September 2017 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 AIM Academies Trust during the period from 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 AIM Academies Trust ('the Academy Trust') and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to AIM Academies Trust and the 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 AIM Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of AIM Academies Trust's funding agreement with the Secretary of State for Education dated 27 March 2013 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 from 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.

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.

Independent reporting accountant's report Year to 31 August 2021

Approach (continued)

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

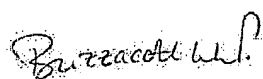
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 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.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 23 December 2021

Statement of financial activities Year to 31 August 2021
(Including Income and Expenditure Account)

	Notes	Restricted funds			Total 2021 £	Total 2020 £
		Unrestricted General funds £	General funds £	Fixed assets funds £		
Income from:						
Donations and capital grants	1	20,602	—	53,574	74,176	1,136,495
. Donated assets	1	—	—	179,465	179,465	—
. Transfer on academies joining the Trust	25	—	—	—	—	15,503,754
Charitable activities						
. Funding for the Academy Trust's educational operations	2	—	18,853,827	—	18,853,827	17,873,866
. Teaching Schools	2	—	397,825	—	397,825	277,613
Other trading activities	3	542,412	—	—	542,412	538,905
Investments	4	544	—	—	544	1,985
Total income		563,558	19,251,652	233,039	20,048,249	35,332,618
Expenditure on:						
Charitable activities						
. Academy Trust's educational operations	5/6	553,509	18,097,332	1,529,617	20,180,458	19,683,862
. Teaching Schools		—	393,074	—	393,074	277,613
Total expenditure		553,509	18,490,406	1,529,617	20,573,532	19,961,475
Net income (expenditure) before transfers		10,049	761,246	(1,296,578)	(525,283)	15,371,143
Transfers between funds	16	—	(524,171)	524,171	—	—
Net income (expenditure) for the year	10	10,049	237,075	(772,407)	(525,283)	15,371,143
Other recognised losses						
Actuarial losses on defined benefit pension scheme	20	—	(204,000)	—	(204,000)	(670,000)
Net movement in funds for year		10,049	33,075	(772,407)	(729,283)	14,701,143
Reconciliation of funds						
Total funds brought forward	16	1,640,076	(4,936,505)	58,286,559	54,990,130	40,288,987
Total funds carried forward		1,650,125	(4,903,430)	57,514,152	54,260,847	54,990,130

All activities derive from continuing operations.

Balance sheet 31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	12		57,291,912		57,288,727
Current assets					
Stock		82,346		54,575	
Debtors	13	1,044,025		1,155,854	
Cash at bank and in hand		5,451,676		4,965,615	
		<u>6,578,047</u>		<u>6,176,044</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	<u>(2,577,112)</u>		<u>(2,250,641)</u>	
Net current assets			<u>4,000,935</u>		<u>3,925,403</u>
Net assets excluding pension liability			<u>61,292,847</u>		<u>61,214,130</u>
Pension scheme liability	20		<u>(7,032,000)</u>		<u>(6,224,000)</u>
Total net assets			<u>54,260,847</u>		<u>54,990,130</u>
Funds of the Academy Trust					
Restricted funds					
. Fixed asset funds	16		57,514,152		58,286,559
. Restricted income fund	16		2,128,570		1,287,495
. Pension reserve			<u>(7,032,000)</u>		<u>(6,224,000)</u>
Total restricted funds			<u>52,610,722</u>		<u>53,350,054</u>
Unrestricted general funds	16		<u>1,650,125</u>		<u>1,640,076</u>
			<u>54,260,847</u>		<u>54,990,130</u>

The financial statements were approved by the directors and signed on their behalf by:


PHILIP O'HEAR

Philip O'Hear
Director

Date: 23 December 2021

AIM Academies Trust
Company Registration Number: 04389132 (England and Wales)

Statement of cash flows Year to 31 August 2021

		2021 £	2020 £
Net cash inflow from operating activities			
Net cash provided by operating activities	A	1,785,280	1,336,105
Net cash (used in) provided by investing activities	B	(1,299,219)	451,620
Change in cash and cash equivalents in the year		486,061	1,787,725
Cash and cash equivalents at 1 September		4,965,615	3,177,890
Cash and cash equivalents at 31 August		5,451,676	4,965,615

A Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net (expenditure) income for the year (as per the statement of financial activities)	(525,283)	15,371,143
Adjusted for:		
Inherited tangible assets on academy joining the Trust	—	(16,579,754)
Defined benefit pension liability inherited on academy joining the Trust	—	1,076,000
Depreciation	1,529,617	1,471,692
Capital grants from DfE and other capital income	(233,039)	(1,135,595)
Interest receivable	(544)	(1,985)
Defined benefit pension scheme cost less contributions payable	497,000	538,000
Defined benefit pension scheme finance cost	107,000	94,000
(Increase) decrease in stock	(27,771)	(10,032)
Decrease (increase) in debtors	111,829	(760,215)
Decrease (increase) in creditors	326,471	1,272,851
Net cash provided by operating activities	1,785,280	1,336,105

B Cash flows from investing activities

	2021 £	2020 £
Interest received	544	1,985
Purchase of tangible fixed assets	(1,532,802)	(685,960)
Capital grants from DfE/ESFA	233,039	1,135,595
Net cash (used in) provided by investing activities	(1,299,219)	451,620

C Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	5,451,676	4,965,615
Total cash and cash equivalents	5,451,676	4,965,615

Statement of cash flows Year to 31 August 2021

D Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash	4,965,615	486,061	5,451,676
Total	4,965,615	486,061	5,451,676

Principal accounting policies 31 August 2021

Statement of accounting policies

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

Basis of preparation

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

AIM Academies Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The directors 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 Academy Trust to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The Trustees 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. This assessment included a consideration of the impact of coronavirus on the day to day operations of the Academy Trust and possible financial consequences. The Academy Trust has and continues to develop contingency plans which are being successfully implemented.

The Trustees consider 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 financial statements.

Income

All income is recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Principal accounting policies 31 August 2021

Income (continued)

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.

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

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

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 trading income

Other trading income, including the hire of facilities, catering, trips and sundry other receipts, are recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

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.

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.

All expenditure is stated net of recoverable VAT.

Principal accounting policies 31 August 2021

Tangible fixed assets

Assets costing £2,000 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 in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land.

- ◆ Furniture, fittings and equipment - 25% p.a.
- ◆ Freehold buildings - 2% p.a.
- ◆ Long leasehold buildings - 2% p.a.

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.

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand.

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.

Principal accounting policies 31 August 2021

Provisions

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

Leased assets

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

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 as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Fund accounting

Unrestricted funds are those monies which may be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the directors.

Restricted funds comprise grants from ESFA and other bodies to be used for specific purposes.

Restricted fixed assets fund comprises funds received towards capital expenditure by way of grants from the Government and by private donations. Depreciation is charged against these funds over the estimated useful lives of the fixed assets purchased.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Principal accounting policies 31 August 2021

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.

Pension 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.

The TPS is an unfunded scheme and contributions are calculated so as 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 on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20 the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the statement of financial activities 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.

Principal accounting policies 31 August 2021

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

Critical areas of judgement

The directors do not consider that there are any areas of judgement which are critical to the Academy Trust's financial statements.

Notes to the financial statements 31 August 2021

1 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2021 £	Total 2020 £
Capital grants	—	—	53,574	53,574	1,135,595
Donated fixed assets	—	—	179,465	179,465	—
Other donations	20,602	—	—	20,602	900
	20,602	—	233,039	253,641	1,136,495

	Unrestricted funds £	Restricted funds £	Total 2020 £
Capital grants	—	1,135,595	1,135,595
Other donations	900	—	900
	900	1,135,595	1,136,495

2 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020* £
DfE / ESFA grants				
. General Annual Grant (GAG)	—	15,451,628	15,451,628	15,095,583
Other DfE / ESFA grants				
. UIFSM	—	31,344	31,344	56,018
. Pupil Premium	—	903,156	903,156	946,733
. Others	—	1,756,916	1,756,916	1,246,429
Other Government grants				
. Local authority grants	—	646,374	646,374	520,944
	—	18,789,418	18,789,418	17,865,707
Coronavirus additional funding (DfE/ESFA)				
Other DfE/ESFA Coronavirus funding	—	64,409	64,409	8,159
Other educational grants				
. Teaching Schools Grants	—	313,348	313,348	226,386
. Special education projects	—	84,477	84,477	51,227
	—	397,825	397,825	277,613
2021 Total income	—	19,251,652	19,251,652	18,151,479

Notes to the financial statements 31 August 2021

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

The Trust received £69,409 of funding for catch-up premium and costs incurred in respect of this funding for the year was £69,409. A further amount of funding amounting to £193,889 was unspent and is included within deferred income (see note 14).

*Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the Academy Trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>Total 2020</i> £
<i>DfE / ESFA grants</i>			
. General Annual Grant (GAG)	—	15,095,583	15,095,583
. Other DfE / ESFA grants comprising	—	2,249,180	2,249,180
. UIFSM	—	56,018	56,018
. Pupil Premium	—	946,733	946,733
. Others	—	1,246,429	1,246,429
	—		
<i>Exceptional government funding</i>			
<i>Other coronavirus funding</i>	—	8,159	8,159
	—	17,352,922	17,352,922
<i>Other Government grants</i>			
. Local authority grants	—	520,944	520,944
	—	17,873,866	17,873,866
<i>Other educational grants</i>			
. Teaching Schools Grants	—	226,386	226,386
. Special education projects	—	51,227	51,227
	—	277,613	277,613
<i>2020 Total income</i>	—	18,151,479	18,151,479

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

Notes to the financial statements 31 August 2021

3 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	3,039	—	3,039	79,366
Trip income	6,813	—	6,813	25,594
Catering income	93,530	—	95,530	146,069
Miscellaneous income	439,030	—	439,030	287,876
	542,412	—	542,412	538,905

	Unrestricted funds £	Restricted funds £	Total 2020 £
Hire of facilities	79,366	—	79,366
Trip income	25,594	—	25,594
Catering income	146,069	—	146,069
Miscellaneous income	287,876	—	287,876
	538,905	—	538,905

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
	544	—	544	1,985
Interest receivable	544	—	544	1,985

	Unrestricted funds £	Restricted funds £	Total 2020 £
Interest receivable	1,985	—	1,985
	1,985	—	1,985

5 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2021 £	Total 2020 £
Academy Trust's educational operations					
. Direct costs	11,419,654	1,529,617	830,444	13,779,715	14,128,347
. Support costs	3,354,510	1,577,992	1,468,241	6,400,743	5,535,515
Teaching School	43,702	—	349,372	393,074	277,613
	14,817,866	3,107,609	2,648,057	20,573,532	19,961,475

	Staff costs £	Premises £	Other costs £	Total 2020 £
Academy Trust's educational operations				
. Direct costs	11,855,329	1,471,692	801,326	14,128,347
. Support costs	2,726,957	1,278,454	1,530,104	5,535,515
Teaching School	42,477	—	235,136	277,613
	14,624,763	2,750,246	2,566,566	19,961,475

Notes to the financial statements 31 August 2021

6 Charitable activities – Academy Trust's educational operations

	2021 Total funds £	2020 Total funds £
Direct costs	13,779,715	14,128,347
Support costs	6,400,743	5,535,515
	20,180,458	19,683,862
	2021 Total funds £	2020 Total funds £
Analysis of support costs		
Support staff costs	3,354,510	2,726,957
Technology costs	220,080	243,845
Premises costs	1,577,992	1,278,454
Legal costs – other	45,405	—
Other support costs	1,157,962	1,232,418
Governance costs	44,794	53,841
Total support costs	6,400,743	5,535,515

Notes to the financial statements 31 August 2021

7 Comparative information

	Unrestricted general funds £	Restricted funds		Total 2020 £
		General funds £	Fixed assets funds £	
Income from:				
Donations and capital grants	900	—	1,135,595	1,136,495
. Transfer on academies joining the Trust	—	(1,076,000)	16,579,754	15,503,754
Charitable activities				
. Funding for the Academy Trust's educational operations	—	17,873,866	—	17,873,866
. Teaching Schools	—	277,613	—	277,613
Other trading activities	538,905	—	—	538,905
Investments	1,985	—	—	1,985
Total income	541,790	17,075,479	17,715,349	35,332,618
Expenditure on:				
Charitable activities				
. Academy Trust's educational operations	340,705	17,871,465	1,471,692	19,683,862
. Teaching Schools	—	277,613	—	277,613
Total expenditure	340,705	18,149,078	1,471,692	19,961,475
Net income (expenditure) before transfers	201,085	(1,073,599)	16,243,657	15,371,143
Transfers between funds	—	(439,528)	439,528	—
Net income (expenditure) for the year	201,085	(1,513,127)	16,683,185	15,371,143
Other recognised losses				
Actuarial losses on defined benefit pension scheme	—	(670,000)	—	(670,000)
Net movement in funds for year	201,085	(2,183,127)	16,683,185	14,701,143
Reconciliation of funds				
Total funds brought forward	1,438,991	(2,753,378)	41,603,374	40,288,987
Total funds carried forward	1,640,076	(4,936,505)	58,286,559	54,990,130

Notes to the financial statements 31 August 2021

8 Staff

(a) Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	10,166,503	9,973,973
Social security costs	1,089,522	1,037,836
Pension costs	2,599,455	2,585,224
	13,855,480	13,597,033
Supply staff costs	585,516	999,379
Staff restructuring costs	376,870	28,351
	14,817,866	14,624,763

(b) Staff restructuring costs

Included in staff restructuring costs are non-contractual severance payments totalling £237,717. (2020 – £28,351) made to twenty staff members (2020 – four). Individually, the payments were

£4,000	£20,944	£6,875	£15,668	£11,000
£4,391	£10,799	£12,240	£4,307	£2,284
£8,704	£17,500	£20,000	£1	£20,672
£18,496	£13,466	£3,962	£17,408	£25,000

(c) Staff numbers

The average number of persons (including the senior management team) employed during the year ended 31 August 2021 was as follows:

	2021 Number	2020 Number
Teachers	142	148
Administration and support	128	129
Management	28	29
	298	306

Notes to the financial statements 31 August 2021

(d) Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	18	12
£70,001 - £80,000	—	3
£80,001 - £90,000	6	2
£90,001 - £100,000	1	1
£100,001 - £110,000	—	1
£110,001 - £120,000	1	—
£120,001 - £130,000	—	1
£130,001 - £140,000	1	—
	27	20

Notes to the financial statements 31 August 2021

8 Staff (continued)

(d) *Higher paid staff* (continued)

During the year ended 31 August 2021; 26 of the above employees participated in the Teachers' Pension Scheme; employer's pension contributions for these staff amounted to £446,162 (2020 – nineteen employees; £315,871).

(e) *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 £506,345 (2020 – £386,636). One member of this team was on parental leave for the majority of the year to 31 August 2020, with another beginning their employment part way through the year to 31 August 2020

9 Directors' remuneration, expenses and directors' and officers' insurance

One director has been paid remuneration or has received other benefits from an employment with the Academy Trust. The executive principal only received remuneration in respect of services they provide undertaking the role of executive principal under their contract of employment.

	2021 £	2020 £
P McGrath, CEO and director		
Remuneration	130k – 140k	120k – 130k
Employer's pension contributions	30k – 35k	30k – 35k

Other directors did not receive any payments, other than reimbursed expenses, from the Academy Trust in respect of their role as directors. No directors received reimbursement of expenses for travel, subsistence and accommodation totaling (2020 – two directors reimbursed £1,875) from the Academy Trust during the year in the course of their duties as directors.

Directors' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Company business. The Academy Trust's insurance provides cover up to

£25,000,000 on any one claim and the cost for 2021 was £87,272 (2020 – £62,592). There were no other related party transactions involving the directors (see also note 23).

Notes to the financial statements 31 August 2021

10 Net expenditure for the year

The Academy Trust's net expenditure for the year is stated after charging:

	2021 £	2020 £
Depreciation	1,529,617	1,471,692
Auditor's remuneration		
· Statutory audit services	17,950	19,350
· Other ESFA and regulatory audits	3,275	3,850
· Other services	4,175	10,300
Operating lease rentals	24,545	14,909

11 Taxation

The Academy Trust is an exempt charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to charitable companies.

12 Tangible fixed assets

	Freehold land and buildings £	Long leasehold building £	Furniture, fittings and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost						
At 1 September 2020	47,426,564	21,142,583	568,806	1,763,259	21,070	70,922,282
Additions	321,647	915,761	16,694	278,700	—	1,532,802
At 31 August 2021	47,748,211	22,058,344	585,500	2,041,959	21,070	72,455,084
Depreciation						
At 1 September 2020	10,670,823	931,709	504,780	1,515,447	10,796	13,633,555
Charge for year	950,144	428,231	22,665	126,470	2,107	1,529,617
At 31 August 2021	11,620,967	1,359,94	527,445	1,641,917	12,903	15,163,172
Net book values						
At 31 August 2021	36,127,244	20,698,4	58,055	400,042	8,167	57,291,912
At 31 August 2020	36,755,741	20,210,8	64,026	247,812	10,274	57,288,727

London Academy - Freehold land

Title to the site at Spur Road, Edgware, Middlesex is registered in the name of the Academy Trust but has not been included in these financial statements because the site is designated for educational purposes only and is considered to have no open market value to the Academy Trust.

London Academy – Donated assets

A primary school at London Academy was built in 2018 by the London Borough of Barnet on freehold land owned by the London Academy. On completion, the building was transferred to the Academy Trust for no consideration.

Notes to the financial statements 31 August 2021

12 Tangible fixed assets (continued)

Long leasehold building

The leasehold buildings refer:

- ♦ to a building situated at Hale Drive, Mill Hill, London occupied by Deansbrook Junior School and held under a 125-year lease from the London Borough of Barnet; and
- ♦ to buildings at Turin Road, London, occupied by AIM North London (formerly The Nightingale School) and held under a 125 year lease from the London Borough of Enfield. The leasehold buildings were transferred on 1 September 2019 for no consideration. (see note 25)

No value has been included in these financial statements of the leasehold land occupied by the Academy as the land is designated for educational purposes only and is considered to have no open market value to the Academy Trust.

13 Debtors

	2021 £	2020 £
Trade debtors	34,893	3,836
VAT reclaimable	276,763	196,859
Other debtors	1,179	—
Prepayments and accrued income	731,190	955,159
	1,044,025	1,155,854

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,253,318	645,279
ESFA creditor: GAG clawback	—	454,981
Social security and other taxes	491,002	479,798
Accruals and deferred income	832,792	670,583
	2,577,112	2,250,641
Deferred income		
Deferred income at 1 September 2020	213,849	177,339
Amounts released from previous year	(213,849)	(177,339)
Resources deferred in the year	360,456	213,849
Deferred income at 31 August 2021	360,456	213,849

Deferred income includes £25,513 (2020 – £79,937) in respect of Rates Relief Funding received from the ESFA, £18,286 of Universal Infant Free School Meals funding for the ensuing academic year, Covid tuition and catch up premium funding of £193,889 received in 2020/21 but unspent at 31 August 2021, a PE grant of £16,528, unspent MDIF funding of £17,746 and an amount of £53,543 relating to the AIM Equalitas 2021/22.

Notes to the financial statements 31 August 2021

15 Central services

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

- ♦ Educational Support Services
- ♦ Financial Support services
- ♦ Project Management Services
- ♦ Governance support Services
- ♦ Facilities Management Services
- ♦ Other

The Academy Trust charges for these services based on a percentage of GAG income, set at 5% for the current year. The amounts charged during the year were as follows:

	2021 £	2020 £
London Academy	470,544	452,520
Deansbrook Junior School	81,492	71,364
AIM North London	219,650	237,012
	771,686	760,896

Notes to the financial statements 31 August 2021

16 Funds

	At 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2021 £
Restricted income funds					
General Annual Grant (GAG)	1,287,495	15,451,628	(14,086,382)	(524,171)	2,128,570
Pupil Premium	—	903,156	(903,156)	—	—
UIFSM	—	31,344	(31,344)	—	—
Other DfE/ESFA COVID-19 funding	—	64,409	(64,409)	—	—
Other grants	—	2,801,115	(2,801,115)	—	—
Pension reserve	(6,224,000)	—	(604,000)	(204,000)	(7,032,000)
	<u>(4,936,505)</u>	<u>19,251,652</u>	<u>(18,490,406)</u>	<u>(728,171)</u>	<u>(4,903,430)</u>
Restricted fixed asset funds					
Transfer from Local Authority	9,220,745	—	—	—	9,220,745
Transfer on academies joining the Trust	16,579,754	—	—	—	16,579,754
DfE/ESFA donated assets	—	179,465	—	—	179,465
DfE/ESFA capital grants	32,486,060	53,574	(1,529,617)	524,171	31,534,188
	<u>58,286,559</u>	<u>233,039</u>	<u>(1,529,617)</u>	<u>524,171</u>	<u>57,514,152</u>
Total restricted funds	<u>53,350,054</u>	<u>19,484,691</u>	<u>(20,020,023)</u>	<u>(204,000)</u>	<u>52,610,722</u>
Unrestricted funds					
General funds	1,640,076	563,558	(553,509)	—	1,650,125
Total unrestricted funds	<u>1,640,076</u>	<u>563,558</u>	<u>(553,509)</u>	<u>—</u>	<u>1,650,125</u>
	<u>54,990,130</u>	<u>20,048,249</u>	<u>(20,573,532)</u>	<u>(204,000)</u>	<u>54,260,847</u>

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

Revenue funds

◆ ESFA grants funds

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State signed on 27 March 2013 the Academy Trust was not subject to a limit in the amount of GAG that it could carry forward at 31 August 2021.

◆ Fixed assets funds:

The fixed assets fund includes grants received from the ESFA and other sources to finance the development and building of the Academy Trust and the other tangible fixed assets, together with fixed assets inherited on the transfer of academies into the Trust.

Notes to the financial statements 31 August 2021

16 Funds (continued)

Analysis of fund balances by Academy

Fund balances for each academy are pooled, hence a breakdown by academy is not included in these accounts.

Analysis of cost by Academies (excluding depreciation)

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
London Academy	6,720,715	1,336,766	487,759	1,649,856	10,241,165	10,398,386
Deansbrook Junior School	1,540,153	287,229	58,805	203,415	2,089,602	2,124,069
AIM North London	3,290,341	1,031,564	166,953	1,056,229	5,545,087	4,985,446
AIM Alliance	—	43,702	—	349,372	393,074	—
Central services	185,408	381,988	3,384	204,207	774,987	981,881
	11,736,617	3,081,249	716,901	3,463,079	19,043,915	18,489,782

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
London Academy	6,475,224	1,748,032	429,644	1,745,486	10,398,386
Deansbrook Junior School	1,543,687	350,051	44,602	185,729	2,124,069
AIM North London	2,673,649	1,277,572	189,965	844,260	4,985,446
Central services	182,747	373,801	6,838	418,495	981,881
	10,875,307	3,749,456	671,049	3,193,970	18,489,782

Notes to the financial statements 31 August 2021

16 Funds (continued)

Comparative information

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

	At 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2020 £
Restricted income funds					
General Annual Grant (GAG)	1,092,622	15,095,583	914,461,182	(439,528)	1,287,495
Pupil Premium	—	946,733	(946,733)	—	—
Other DfE/ESFA grants	—	2,109,163	(2,109,163)	—	—
Pension reserve	(3,846,000)	(1,076,000)	(632,000)	(670,000)	(6,224,000)
	<u>(2,753,378)</u>	<u>17,075,479</u>	<u>(18,149,078)</u>	<u>(1,109,528)</u>	<u>(4,936,505)</u>
Restricted fixed asset funds					
Transfer from Local Authority	9,562,020	—	(341,275)	—	9,220,745
Transfer on academies joining the Trust	—	16,579,754	—	—	16,579,754
DfE/ESFA capital grants	<u>32,041,354</u>	<u>1,135,595</u>	<u>(1,130,417)</u>	<u>439,528</u>	<u>32,486,060</u>
	<u>41,603,374</u>	<u>17,715,349</u>	<u>(1,471,692)</u>	<u>439,528</u>	<u>53,350,054</u>
Total restricted funds	<u>38,849,996</u>	<u>34,790,828</u>	<u>(19,620,770)</u>	<u>(670,000)</u>	<u>58,286,559</u>
Unrestricted funds					
General funds	<u>1,438,991</u>	<u>541,790</u>	<u>(340,705)</u>	<u>—</u>	<u>1,640,076</u>
Total unrestricted funds	<u>1,438,991</u>	<u>541,790</u>	<u>(340,705)</u>	<u>—</u>	<u>1,640,076</u>
	<u>40,288,987</u>	<u>35,332,618</u>	<u>(19,961,475)</u>	<u>(670,000)</u>	<u>54,990,130</u>

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	2021 Total £	2020 Total £
Fund balances at 31 August 2021 are represented by:					
Tangible fixed assets	—	—	57,291,912	57,291,912	57,288,727
Current assets	1,734,602	4,621,205	222,240	6,578,047	6,176,044
Current liabilities	—	(2,577,112)	—	(2,577,112)	(2,250,641)
Pension scheme liability	—	(7,032,000)	—	(7,032,000)	(6,224,000)
Total net assets	<u>1,734,602</u>	<u>(4,987,907)</u>	<u>57,514,152</u>	<u>54,260,847</u>	<u>54,990,130</u>

Notes to the financial statements 31 August 2021

17 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	2020 Total £
<i>Fund balances at 31 August 2020 are represented by:</i>				
<i>Tangible fixed assets</i>	—	—	57,288,727	57,288,727
<i>Current assets</i>	1,640,076	3,538,136	997,832	6,176,044
<i>Current liabilities</i>	—	(2,250,641)	—	(2,250,641)
<i>Pension scheme liability</i>	—	(6,224,000)	—	(6,224,000)
Total net assets	1,640,076	(4,936,505)	58,286,559	54,990,130

18 Lease commitments

Operating leases

At 31 August 2021; the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

	2021 £	2020 £
Amounts due within one year	14,909	14,909
Amounts due between two and five years inclusive	34,428	51,964
	49,337	66,873

19 Capital commitments

At 31 August 2021, the Academy Trust had capital commitments of £nil (2020 – £833,639).

20 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 [name]. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £181,185 were payable to the schemes at the end of the financial year and are included within creditors due within one year (2020 - £170,855).

20 Pension and similar obligations (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,760,758 (2020 – £1,595,487).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

Notes to the financial statements 31 August 2021

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £497,000 (2020 – £479,000) of which employer's contributions totalled £384,000 (2020 – £365,000) and employees' contributions totalled £113,000 (2020 – £97,000). The agreed contribution rates for future years are between 5.5% and 12.5% for employees.

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

	At 31 August 2021	At 31 August 2020
Principal Actuarial Assumptions		
Rate of increase in salaries	3.8%	3.2%
Rate of increase for pensions in payment / inflation	2.8%	2.3%
Discount rate for scheme liabilities	1.7%	1.7%
Inflation assumption (CPI)	2.8%	2.3%

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	22.1	21.9
Females	24.4	24.1
<i>Retiring in 20 years</i>		
Males	23.2	22.9
Females	26.0	25.5

	At 31 August 2021 £'000	At 31 August 2020 £'000
Sensitivity analysis		
Discount rate -0.1%	356	414
Mortality assumption – 1 year increase	632	244
CPI rate +0.1%	186	27

Notes to the financial statements 31 August 2021

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	6,986	5,471
Corporate bonds	3,331	2,805
Property	1,362	570
Cash and other liquid assets	1,064	741
Other assets	241	986
Total market value of assets	12,984	10,573
Present value of scheme liabilities		
Funded	(20,016)	(16,797)
Deficit in the scheme	(7,032)	(6,224)
	2021 £'000	2020 £'000
Amounts recognised in statement of financial activities		
Current service cost	881	989
Interest income	(182)	(199)
Interest cost	289	293
Total amount recognised in the SOFA	988	1,083
Analysis of pension finance costs		
Expected return on pension scheme assets	182	199
Interest on pension liabilities	(289)	(293)
Pension finance costs	(107)	(94)
Changes in the present value of defined benefit obligations were as follows:	2021 £'000	2020 £'000
At 1 September 2020	(16,797)	(9,818)
Inherited on transfer of academy into the Trust	—	(5,747)
Current and past service cost	(881)	(989)
Interest cost	(289)	(293)
Employee contributions	(113)	(128)
Actuarial gain/(loss)	(2,191)	(77)
Benefits paid	255	255
At 31 August 2021	(20,016)	(16,797)

Notes to the financial statements 31 August 2021

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Academy Trust's share of scheme assets:	2021 £	2020 £
At 1 September 2020	10,573	5,972
Inherited on transfer of academy into the Trust	—	4,671
Actuarial (loss) gain	1,987	(593)
Expected return on Scheme assets	182	199
Employer contributions	384	451
Employee contributions	113	128
Benefits paid	(255)	(255)
At 31 August 2021	12,984	10,573

21 Liability of members

The Academy Trust is a company limited by guarantee, without share capital. Every member of the Company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such an amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

22 Contingent liabilities

In the event, during the period of the Funding Agreement, of the sale or disposal by other means, of any asset for which a capital grant was received, the Academy Trust shall if it does not reinvest the proceeds, repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

- The value at that time of the Academy Trust's site and premises and other assets held for the purpose of the Academy Trust; and
- The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

23 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of directors may have 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.

Notes to the financial statements 31 August 2021

23 Related party transactions (continued)

The spouse of the Executive Principal, Mr P McGrath, is employed by the Academy Trust as a teacher. Mrs McGrath is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship with a member of the senior management team.

24 Agency arrangements

The Academy Trust acts as paying agent for the ESFA for the dispensing of 16-19 Bursaries onto students.

In the year ended 31 August 2020 the Academy Trust received £39,640 (2020 – £59,224) and disbursed £38,746 (2020 – £59,250) from the fund. An amount of £7,324 (2020 – £6,430), remains undistributed at 31 August 2021.

25 Transfer of academy into the Trust

On 1 September 2019, AIM North London joined the Academy Trust. AIM North London consisted of the Nightingale Academy, located in Enfield. At the date of transfer the operations and certain assets and liabilities were transferred for £nil consideration.

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

Notes to the financial statements 31 August 2021

25 Transfer of academy into the Trust (continued)

	Unrestricted funds £	Restricted income funds £	Restricted fixed asset funds £	Total 2020 £
Tangible fixed assets				
· Leasehold land and buildings	—	—		16,537,666
· Other fixed assets	—	—		
	—	—	16,579,574	16,579,574
LGPS pension deficit	—	(1,076,000)	—	(1,076,000)
Net assets	—	(1,076,000)	16,579,574	15,503,574

26 Teaching School Trading Account

	2021 Total £	2020 Total £
Income		
Direct income - Teaching School Grants	313,348	226,386
Other income – Fundraising and other trading activities	84,477	51,227
Total income	397,825	277,613
	2021 Total £	2020 Total £
Expenditure		
Staff costs	—	42,477
Staff development	312,779	228,877
Other direct costs	—	6,259
Total expenditure	312,779	277,613