

**ASTON UNIVERSITY ENGINEERING ACADEMY BIRMINGHAM**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2023**



***Company Limited by Guarantee***  
***Registration Number: 07166427***  
***(England & Wales)***

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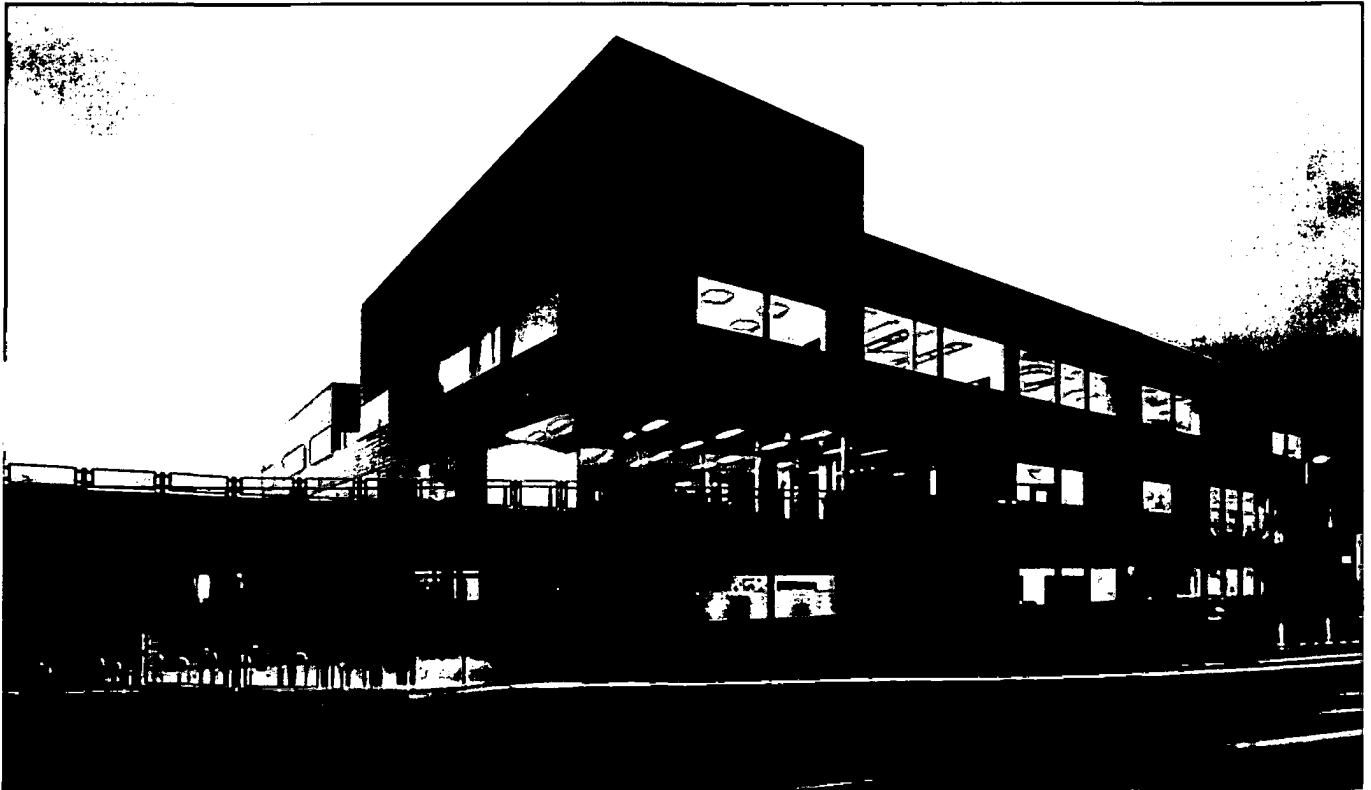
**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS**

<b>Members and Trustees</b>	<p>N Scott (Chair and Sponsor Governor from 1 March 2015 to 31 October 2022)</p> <p>Prof. S. Garrett (Chair and Sponsor Governor from 1 November 2022)</p> <p>D Locke-Wheaton (Principal from 14 August 2015)</p> <p>R Billingham # (Sponsor Governor from 13 March 2017 )</p> <p>A Davies # (Sponsor Governor from 31 May 2019 to 31 December 2022)</p> <p>T Malhi # (Sponsor Governor from 19th January 2023)</p> <p>A Fratini (Sponsor Governor from 1 August 2019)</p> <p>A Gill-Knobbs (Sponsor Governor from 1 August 2019)</p> <p>P Harper (Sponsor Governor from 1 August 2012)</p> <p>M Coulson (Teaching Staff Representative from 1 August 2019 to 31 December 2022)</p> <p>R Grant (Support Staff Representative from 27 March 2018 to 31 December 2022)</p> <p>S Carlin (Staff Representative from January 2023)</p> <p>L Harvey (Parent Governor from 1 August 2019 to 31 July 2023)</p> <p>S Plumb (Parent Governor from 1 August 2019 to 31 July 2023)</p> <p>P Hazzard # (Co-opted Governor from 1 August 2016)</p> <p>R Toy # (Co-opted Governor from 1 November 2017)</p> <p>J Wade (Academic Governor from 1 January 2021)</p> <p><i># members of the Leadership &amp; Finance Forum, which includes the remit of an audit committee</i></p>
<b>Company Secretary</b>	J Ottley
<b>Senior Leadership Team:</b>	
Principal	D Locke-Wheaton
Vice Principal	D Chapman
Assistant Principal	R Acton
Assistant Principal	R Sorsby
Assistant Principal	C Bedney
Business Manager	A Kaye (now retired)
Senior Finance Officer	P Tank
<b>Principal and Registered Office</b>	<p>Aston University Engineering Academy Birmingham</p> <p>1 Lister Street</p> <p>Birmingham</p> <p>West Midlands</p> <p>B7 4AG</p>
<b>Company Registration Number</b>	07166427
<b>Independent Auditor</b>	<p>UHY Hacker Young (Birmingham) LLP</p> <p>9-11 Vittoria Street</p> <p>Birmingham</p> <p>B1 3ND</p>
<b>Bankers</b>	<p>Lloyds TSB</p> <p>125 Colmore Row</p> <p>Birmingham</p> <p>B3 3SF</p>

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023**

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2023.

The company was formed on 23 February 2010 and the academy opened in September 2012.



Aston University Engineering Academy and Aston University Sixth Form (AUEA) is a diverse multicultural university technical college, based on the edge of Aston University Campus in inner city Birmingham serving students from 13-19 years old.

Our UTC has over 750 Students from over 45 feeder schools (Year 9) and 90 Feeder schools (Year 12) from across the West Midlands from all social and economic backgrounds. Over 60% of students are Pupil Premium with a significant number with English as an additional language. 75% of sixth form students are identified by DfE as coming from the poorest 25% UK postcodes.

AUEA prides itself in instilling not only the academic and STEM technical knowledge but providing an exceptional breadth of experience and opportunities that truly provide:

## **Knowledge for Life | Skills for the Future**

The number of students on roll after nine years has exceeded our capacity of 600. This success is a direct result of the growing reputation of the UTC, unique subjects offered and outstanding destinations for our 18 year old graduates.

### **Number of Students on Roll**

<b>Year</b>	<b>2023/24</b>	<b>2022/23</b>	<b>2021/22</b>
Year 9	81	81	81
Year 10	83	81	81
Year 11	80	82	81
Year 12	243	282	250
Year 13 & 14	260	226	227
<b>Total</b>	<b>778</b>	<b>752</b>	<b>720</b>

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****STRUCTURE, GOVERNANCE AND MANAGEMENT****Constitution**

The academy trust is a company limited by guarantee with no share capital (Registration Number: 07166427) and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Aston University Engineering Academy Birmingham Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Aston University Engineering Academy Birmingham.

Details of the trustees who served during the year except as noted are included in the Reference and Administrative Details on page 3.

**Members' Liability**

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

**Trustees' Indemnities**

Aston University Engineering Academy Birmingham has in place Directors and Trustees liability insurance indemnity cover to a limit of £1m.

**Method of Recruitment and Appointment or Election of Trustees**

The constitution of the Board of Trustees is as follows:

- Up to 6 Aston University Governors
- Up to 5 Co-opted Governors
- 2 Parent Governors (KS3/4 and KS5)
- 2 Staff Governors (teaching and support staff representatives)
- The Principal

The Vice-Chancellor of Aston University appoints the Aston University Trustees. This is as ex officio Governors. The Principal is also an ex officio Governor.

The Board of Trustees makes all necessary arrangements for, and determines all other matters relating to, the election of the Staff Governors and Parent Trustees.

Parent Trustees are elected by parents of registered pupils at the academy. A Parent Trustee must be a parent of a pupil at the academy during their term of office; similarly, a Staff Trustee must be a member of staff at the academy during their period of office.

Trustees can also appoint up to 5 Co-opted Trustees. Those who can be involved in this appointment are Trustees who have been appointed via the Sponsor, LA, parents, employers, etc. A Co-opted Trustee, however, is not eligible to be involved in the appointment of another Co-opted Trustee. With the exception of the appointment of Co-opted Trustees, all Co-opted Trustees have the same level of authority as any other Trustee. Co-opted Trustees are usually appointed because of their expertise in a particular area.

The term of office for all Trustees is 4 years, except for the Principal, who will remain a member of the Board of Trustees whilst they serve in this capacity. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The Board of Trustees believes that in order to fulfil its responsibilities effectively, it is essential that each member is committed to a shared vision for the academy and that the Board of Trustees is working well as a team to achieve this.

To help new Trustees to feel able to take an active part within the Board of Trustees and be valued as an equal member of the team, new Trustees undergo a period of planned support to introduce them to their new role. The Board of Trustees ensures that the following steps are taken:

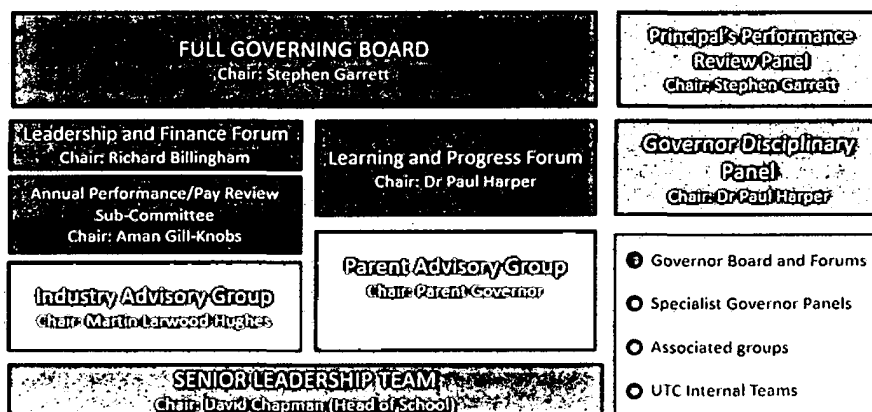
- a) The Chair of Trustees sends a letter welcoming the new Trustee to the team and offering them the opportunity to meet before the first formal Board of Trustees meeting.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**

- b) The Principal invites the new Trustee to visit the academy and experience its atmosphere and understand its ethos and receive an informal briefing on the academy from the Principal to explain the partnership between the Principal, AUEA and Board of Trustees.
- c) When a new Trustee attends their first meeting, the Chair of Trustees welcomes them and introduces them to the other Trustees. Trustees are asked to introduce themselves and describe any particular interests/experience they have and the new Trustee is given the opportunity to say something about himself/herself.
- d) The new Trustee is invited to join a relevant forum or forums. If they wish, they can be given the opportunity to attend and observe forum meetings before making a decision about which forums they might like to join.
- e) A link Trustee is appointed to take responsibility for inducting every new Trustee.

All Trustees are issued with a copy of the Academy Trust Handbook which provides a wide range of information and guidance relating to the governance of the academy. Trustees are also requested to complete the on-line EduCare/NGA First Certificate in Governance to ensure that they have grounding in the role of an academy trustee. The academy also subscribes to the National Trustees Association (NGA) (Gold Membership) which enables Trustees to access a range of useful NGA online materials and conferences/meetings held on topical issues.

The Articles of Association set out the arrangements for the governance and management of the academy. The Board of Trustees and its strategy forums monitor the performance of the Senior Leadership Team and assure and enhance the quality and standards of teaching and learning, as well as monitoring and enhancing the quality of the pupil experience, and ensuring the safety and well-being of staff and students. The Senior Leadership Team supports the Principal in providing strategic leadership and management to ensure that the academy remains a financially and academically successful institution, operating in accordance with the strategic goals, policies and processes approved by the Board of Trustees.

**Organisational Structure**

The Board of Trustees normally meets once in each of the three academic terms. The Board has established a framework for the governance of the academy and agrees membership of its strategy forums and other statutory committees and panels. It receives reports, and policy documents, from its strategy forums for ratification. It monitors the activities of the forums through the minutes of their meetings. It also establishes and reviews their terms of reference and procedures. The Board of Trustees may also, from time to time, establish task groups to perform specific tasks over a limited timescale. The Board aims to ensure that the leadership and governance of the AUEA is strategic, highly effective and geared towards 'outstanding'.

The governance framework supports the following key principles:

- Trustees work as an effective team and understand their accountability and the part they play in the strategic leadership of the academy and in driving academy improvement;
- Trustees with the necessary skills are appointed to the governing body and tasks are delegated so that all members contribute, feel that their individual skills, knowledge and experience are well used and that the overall work load is shared;

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**

- The Board of Trustees provides support, challenge and encouragement to the Principal and Senior Leadership Team;
- Ensuring academy improvement is the focus of all policy and strategy and that Trustee monitoring reflects Academy improvement priorities;
- Ensuring that statutory requirements and regulations are met, that the academy provides value for money in its use of resources and that governing body business is conducted efficiently and effectively.

There are three Strategy Forums as follows:

- The Leadership and Finance Forum (LFF) which meets at least three times a year. Its primary purpose is to review and agree the key finance, resource and organisational matters of the academy, and to act as an Audit Committee;
- The Learning and Progress forums (LPF) meets at least six times a year. The primary purpose of the Forum is to set and support the Senior Leadership Team in ensuring that the majority of teaching is outstanding and results in high levels of attainment and progression of pupils, through the development and delivery of innovative and employer enabled curriculum; and
- The Industry Advisor Group Forum (IAG) meets at least three times a year. The primary purpose of the Forum is to advise and support the Senior Leadership Team to develop outstanding and aspirational approaches for the guidance and support for outstanding progression of students from AUEA.

The governance framework is aligned to the four key judgments from the OfSTED inspection framework as follows:

<b>OfSTED Judgement</b>	<b>The overall effectiveness of the school</b>	<b>Quality of Education</b>	<b>Personal Development</b>	<b>Behaviour and Attitudes</b>	<b>Leadership and Management</b>
Strategy Forum	Full Board of Trustees	Learning and Progress forum	Learning and Progress forum	Learning and Progress forum	Leadership and Finance Forum
SLT Representative	Executive Principal and Head of School	Head of School, AP T&L and AP Curriculum	Assistant Principal – Pre-16 and Assistant Principal – Post16	Assistant Principal – Pre-16 and Assistant Principal – Post16	Executive Principal and Head of School

The Board of Trustees has the following responsibilities:

- to determine any proposals for the alteration, closure or change of category of the academy; to amend the constitution of the governing body;
- to appoint or remove the Chairman and/or Vice Chairman; to appoint the Secretary to the Trustees; to suspend Trustees; to determine the ethos of the school; to delegate specific responsibilities to any Trustee, Forum, Committee, the Principal or other holder of an executive office, and to determine and review annually the terms of reference, constitution and membership of all Forums and Committees;
- to publish an annual prospectus;
- to decide school session times and dates of school terms and holidays; to make arrangement for staff dismissal appeals;
- to set up panels for the selection of the Principal; to develop, monitor and review the academy 's Freedom of Information Publication Scheme;
- to approve the annual Development Plan; and
- to monitor the annual Register of Interests.

The Board of Trustees and its Leadership and Finance Forum review the academy's strategic risk register at regular intervals. The Board has reviewed the major risks, focusing on operational, financial, governance, compliance and reputational risk, and received reports on the steps taken by the academy to mitigate likely risks. The Board of Trustees is satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Principal also regularly presents Key Performance Indicators (KPIs) to the Board of Trustees to enable it to monitor the progress of the academy against its strategic targets.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**

The Principal is the Accounting Officer as required by the Funding Agreement with the Department for Education. The Principal is supported by the Senior Leadership Team, including the Business Manager. The Vice Principal assists the Principal in the management of the academy and acts as his deputy. The Assistant Principals are senior appointees who assist the Principal in specific areas of the work of the academy, including the delivery of the institutional strategic objectives. The Senior Leadership Team (SLT) manages the academy trust at an executive level, implements the policies laid down by Trustees and reports back to them. The SLT is responsible for developing and implementing AUEA's plans that seek to deliver the best possible outcomes for its students within the agreed budget and scheme of delegation approved by Trustees.

**Trade union facility time****Relevant union officials**

Numbers	FTEs
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Employees who were union officials during the relevant period	Nil	Nil
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**Percentage of time spent on facility time**

Employee Numbers
------------------

**Percentage of time**

0%	Nil
----	-----

1% - 50%	Nil
----------	-----

51% - 99%	Nil
-----------	-----

100%	Nil
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**Percentage of pay bill spent on facility time**

Total cost of facility time	£Nil
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Total pay bill	£4,218,000
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**Percentage of the total pay bill spent on facility time, calculated as:**

(total cost of facility time ÷ total pay bill) x 100	Nil%
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**Paid trade union activities**

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

(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	Nil%
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**Arrangements for setting pay and remuneration of key management personnel**

Pay and remuneration of the Principal is undertaken by a delegated sub-committee of the governing board and in line with the National Standard of Head teachers 2023, against rigorous annual KPIs.

AUEA also operates a rigorous Performance Review process, based on national best practice and supported by exemplary use of the appraisal product 'Weekly10'. This software tracks each member of staff's performance across the year against a set number of agreed targets, allowing the upload of clear evidence and systematic checking and ratification progress and success. This generates the recommended list of pay and remuneration which is reviewed by a sub pay review board which convenes annually to review all staff as well as specific focus on all leadership positions. Recommendations from the Pay Review Sub-committee go to the Leadership and Finance forum for scrutiny prior to final recommendation to the Full Governing Board.

Aston University is the sponsor of Aston University Engineering Academy Birmingham.

Baker Dearing Trust (BDT) acts as the national body for UTCs and via membership AUEA gains access to specialists in finance, marketing, and school improvement. Through regional and national meetings our BDT membership allows greater success and reduced risk. The Principal, Daniel Locke-Wheaton, sits as a member of the core Principal body (unpaid). Jim Wade (trustee) is also a Trustee (Unpaid) on the Baker Dearing Trust Board.

**Connected Organisations including Related Party Relationships**

Aston University, is a higher education institution that sponsors the UTC as a University Technical college. Both due to the sponsorship relationship and geographical location of the UTC adjacent to the University, The UTC benefits from distinct services 'at cost' from the University including Sports Facilities hire, Car Parking, Payroll and HR services.

Titan Education Trust, is a charitable trust which supports the widening participation of students in our area of Birmingham. It also holds the responsibility for the management of the North West Sharing Panel (the body which deals with those students at risk of exclusion) and the North area Head teachers. The Principal Daniel Locke-Wheaton sits as a director (unpaid) on the Executive team for Titan.



**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**

Infraskills/RSS/Auctus – Infrastructure sector-based local SME Group of companies, providing training opportunities and support for careers into the rail sector. Students achieve the necessary competencies, through a mixture of both classroom and practical training, led by INFRA Skills a Gold accredited National Skills Academy for Rail (NSAR) training provider, and further opportunities for work placements through RSS Infrastructure. Governor Richard Toy is CEO. As a provider for enhanced work placements for AUEA students, they are entitled to ESFA Employer capacity delivery funds.

Cundall – Global multi-disciplinary consulting engineers and designers. Peter Hazzard is a Director and is a Governor of AUEA. Cundall's were the original M&E design engineers for AUEA's 1 Lister Street Building. Due to this inherit knowledge and IP, Cundall's were instructed in 2020 to undertake the support consultancy (At Cost) for AUEA's extension as part of the DFE's Post 16 Capacity Fund. This project and Cundall's involvement has lasted three financial years including in 2022/23. Additionally and at no cost, Cundall's have been providing additional consultancy for AUEA in respect of the Academies 2050 Zero Carbon plans.

Jacobs - One of the worlds largest Engineering and Infrastructure companies, Jacobs is a provider for enhanced work placements for AUEA students, so is entitled to ESFA Employer capacity delivery funds. Jacob's Daniel Hickman sits on AUEA's Industry Advisory Board.

The Business Manager, Amanda Kaye, (left 30 March 2023), is a trustee of the Birmingham Association of School Business Management which supports the school business profession across the city for c. 400 schools.

**OBJECTIVES AND ACTIVITIES**

There are so many things that make Aston University Engineering Academy and Aston University Sixth form unique, but one of the key differences is being a university technical college. This means that as well as getting a great experience you have access to additional opportunities and resources many unavailable in other schools and colleges.

These four distinctive UTC characteristics are:

- A well-designed curriculum through which students are enthused, engaged and make especially good progress in their chosen technical field.
- Learning is stretched and deepened through its application and the contribution of partner employers and university.
- Students leave school work-ready, professional, with well-developed employability skills
- Students secure progression to ambitious destinations.

We teach students technical and scientific subjects in a whole new way and are educating the inventors, engineers, scientists and technicians of tomorrow.

A key aspect of 'What makes us different' is our focus on the wider enrichment through our employer linked project curriculum and club night. Ensuring that students leave Aston University Sixth Form with not only high academic outcomes but a wider holistic experience, maximising their potential.

In accordance with the articles of association, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specified, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should align itself with the substance of the national curriculum, the University Technical College vision and the specialisms of engineering and science.



**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Principal Activities**

The principal activity of the Academy, as set out in the Articles of Association, is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to engineering, manufacturing, business and enterprise.

**Objectives, Strategies and Activities**

Aston University Engineering Academy will be nationally recognised as a centre of excellence in providing the very best academic and technical education for successful and rewarding careers in Engineering, Health, Science and Business.

We will achieve this by:

- Providing every student with a personalised pathway through and beyond the UTC setting them up with 'Knowledge for Life and Skills for the Future'.
- Ensuring high aspirations and expectations of all our staff and students' professional and personal development challenging "What makes them different".
- Working with students to develop and foster our key values of employability that equip students for future success (AUEA 7 Rs).
- Developing and delivering a challenging and innovative University and employer-led curriculum contextualised to the STEMM business world.
- Nationally lead outstanding diversity and social mobility of students progressing into STEMM Employment, Apprenticeships or Higher Education.

This will be achieved through close collaboration and in partnership with staff, parents, our local community, other educational establishments and our key stakeholders.

The academy will ensure that our young people achieve in their learning and in their chosen progression pathways underpinning these aims are set of core attributes based on key employer values of:

- Resilience
- Reciprocity
- Reflectiveness
- Resourcefulness
- Respectfulness
- Readiness
- Role Model

**Equal Opportunities Policy**

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

**Disabled Persons**

The trustees recognise their responsibility under disability legislation in relation to disabled students and employees and accessibility, in order to ensure that disabled students and employees do not receive less favourable treatment. The policy of the academy is to support the recruitment and retention of pupils and employees with disabilities by making resources available and through training and career development, and supports this by adapting the physical environment where practicable and reasonable.

**Public Benefit**

The principle object of the company is to operate Aston University Engineering Academy Birmingham to advance for public benefit, for pupils of different abilities between the ages of 13 and 19, with an emphasis on meeting the local and national skills gap especially in technical fields. The trustees confirm that they have referred to the Charities Commission's general guidance on public benefit when establishing the academy's aims and objectives.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Curriculum**

Our curriculum focuses on developing the right combination of knowledge, skills, aptitudes and mindsets to ensure every student can fulfil their academic, social and creative potential, improving life-chances for all, including those disaffected or disadvantaged.

Therefore, our curriculum is:

- academically challenging and supports students' progress through promoting knowledge-rich learning, reading and literacy
- is sequenced, progressive and responsive to the needs of our students
- is broad, balanced and ambitious for all students, regardless of prior attainment
- maximises opportunities to apply theoretical knowledge to real life problems and employer led projects
- develops high quality verbal, written, visual and digital communication skills
- promotes professional, entrepreneurial skills and leadership
- develops students' cultural capital and builds community so that students know how to relate to people who don't share the same culture, think the same way or believe the same things
- promotes personal responsibility and the importance of demonstrating kindness, showing respect and living without harm
- In response to the COVID-19 Pandemic our curriculum additionally:
- Addresses gaps in learning caused by the pandemic in terms of academic, technical, personal and social development
- Supports students' mental health and wellbeing

**Year 9 Curriculum**

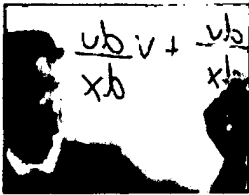



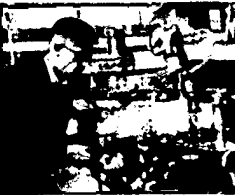
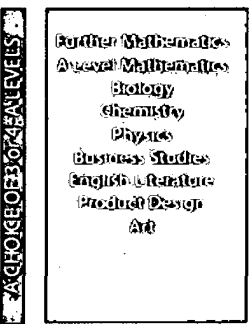
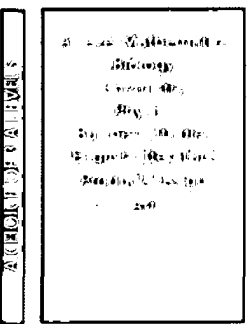
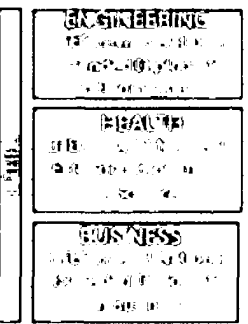
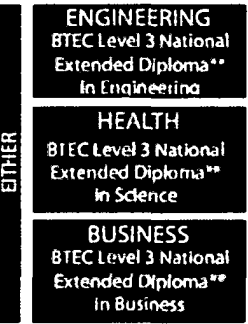
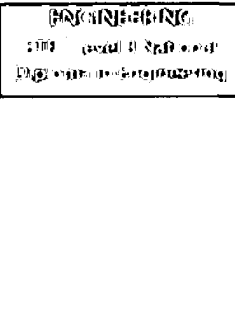
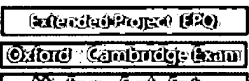

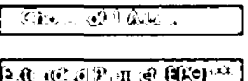
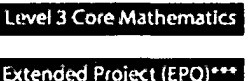
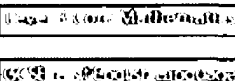
	Academic Core	Technical Core	Wider Qualifications	Options
Standard Offer	English Language English Literature Mathematics Science History	Design & Technology Digital Skills Crest Award	Duke of Edinburgh Finance Project Study Skills	

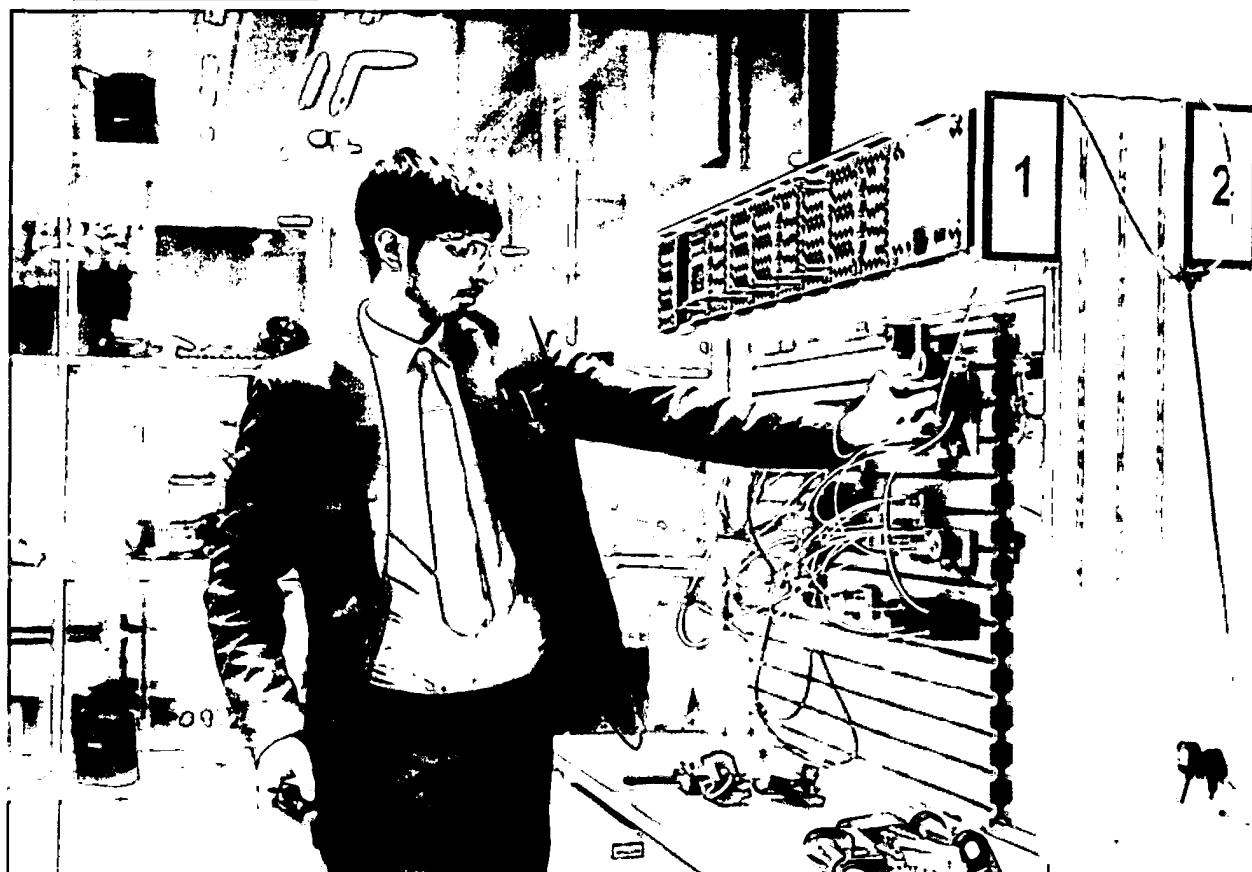
**Key Stage 4 Curriculum**

	Academic Core	Technical Core	Wider Qualifications	Options
Standard Offer	English Language English Literature Mathematics Biology Chemistry Physics	Level 2 BTEC Diploma In Engineering  Small Project Materials	NVQ in German Languages for Business	Product Design Business Studies Computing
Advanced Offer	Level 3 Statistics		GCSE or A Level qualification in home language	Professional Qualifications

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## Key Stage 5 Curriculum 2022/23

PATHWAY	    				
	ELITE	ACADEMIC	PROFESSIONAL+	PROFESSIONAL	TECHNICAL
MAIN CURRICULUM	    				
	Further Mathematics Advanced Mathematics Biology Chemistry Physics Business Studies English Literature Product Design Art	Further Mathematics Advanced Mathematics Biology Chemistry Physics Business Studies English Literature Product Design Art	Engineering Health Business	Engineering Health Business	Engineering Health Business
OPTIONS	    				
	Extended Project (EPQ) Oxford / Cambridge Exam Medicine Early Entry	Extended Project (EPQ) Oxford / Cambridge Exam Medicine Early Entry	Extended Project (EPQ) Oxford / Cambridge Exam Medicine Early Entry	Level 3 Core Mathematics Extended Project (EPQ)***	Level 3 Core Mathematics Extended Project (EPQ)***



## Achievements and Performance

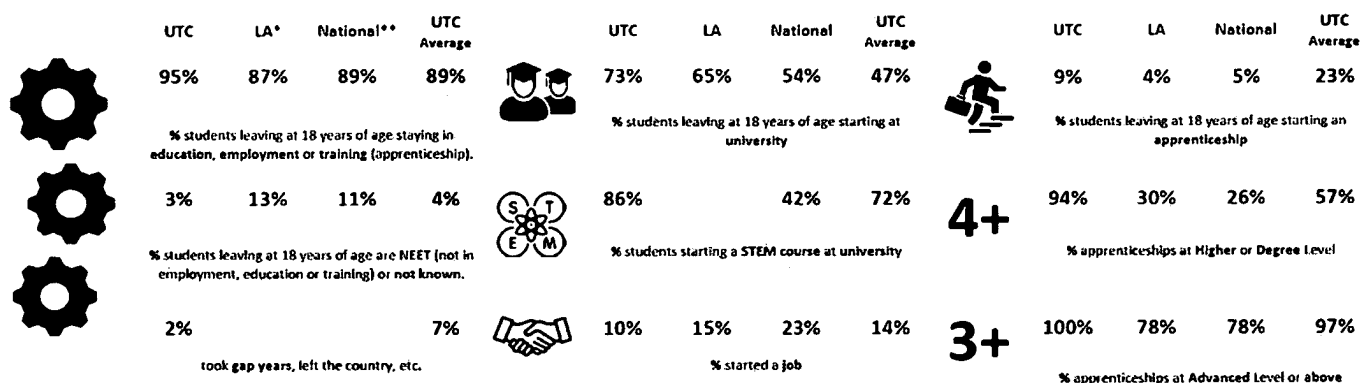
## Destinations

Since AUEA's first graduates in July 2014, the UTC has led the way nationally with the destination of students into STEMM based careers and education. In 2023, this success increased with 98% of students entering University, apprenticeships and employment. There was a significant rise in the number of students moving on into Higher Education and specifically those attending STEMM courses.

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## Destinations (cont'd)

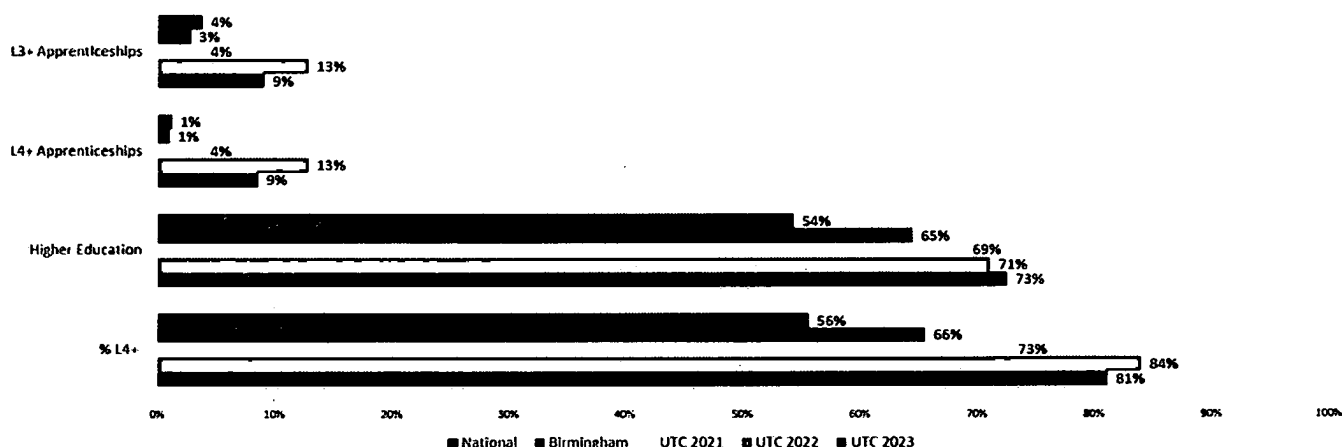
## Aston University Engineering Academy



\* Birmingham local authority average for level 3 leavers from mainstream schools and colleges (summer 2021 - latest)

\*\* National average for Level 3 leavers from mainstream schools and colleges (summer 2021 - latest)

## Level 4 Destinations - All Students



Total Y13 Leavers 2023 197

Total Y13 Leavers 2022 201

Total Y13 Leavers 2021 206

n.b. Level 4+ % in the chart may differ from the sum of L4+ % apprenticeship and higher education as students may have progressed to Level 4 study at their UTC, or at an FE College.

## OfSTED

Having previously in 2018 being graded as Requires Improvement, Aston University Engineering Academy (AUEA) was delighted to be inspected by OfSTED in January 2022 under the new framework. The trust and UTC leadership were delighted in the 'Good' with Outstanding feature UTC grading. It was specifically valuable that this outstanding grading was in the Personal Development Category which recognises both the 'UTC'ness' as well as the outstanding progression that learners undertake from AUEA.

## A GOOD SCHOOL WITH OUTSTANDING PERSONAL DEVELOPMENT

"Students in this school enjoy a strong practical, technical and academic education."

An exceptional enrichment programme also develops excellent employability skills. As a result, students are very well prepared for the world of work and to be citizens of modern Britain.



**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**

"Expectations of all are high in the school. Students rise to these high expectations in their studies and their conduct. Students are mature and well behaved. Disruption to learning is rare. The school's work to promote students personal development is exemplary. It develops strong employability skills in students.

The school has strong links with employers and Aston University. Students receive high quality careers guidance from the moment they join the school. Many students go on to university when they leave. Others move on to high quality apprenticeships and further study."

The Trust, its leaders and staff remain committed to continuing the journey of improvement from Good to Outstanding and note the key additional improvement areas identified by OfSTED. The continued scrutiny and feedback to the Board will continue to occur via our School Improvement Partner (SIP) Malcom Willis.

**What does the school need to do to improve?****(Information for the school and appropriate authority)**

- The curriculum in science is not as well sequenced as it is in other subjects. Learning is not always organised in a logical order. Consequently, students sometimes meet new concepts without having necessary prior knowledge in place. Leaders should ensure that the science curriculum is as well sequenced as the curriculum in other subjects.
- Teachers' use of assessment is not consistently effective throughout the school. Teachers do not consistently identify gaps in students' knowledge or their misconceptions. When this is the case, teaching does not address these gaps or misconceptions. Leader should ensure that teachers use assessment well to identify and address misconceptions and gaps in students' knowledge.
- Governors are unaware of the detail contained in some statutory guidance for schools, for example in relation to students with SEND and children looked after. Consequently, the school does not pay sufficient regard to some statutory guidance, and governors do not hold leaders to account for these gaps. Leaders and governors should ensure that they understand all statutory guidance that applies to the school. Governors should hold leaders properly to account in all areas of school life.

**Examinations Results**

Aston University Engineering Academy has developed a blended academic and vocational curriculum that is designed to provide our students with a high level of scientific and technical skills, in line with the ethos of a University Technical College. It supports the skills agenda within the West Midlands and enhances the life chances of the young people we serve. This high-quality technical education is set within a political landscape where academic GCSEs are increasingly valued in performance tables at the expense of substantial vocational qualifications. In addition to core GCSE subjects students study engineering courses totalling up to 240 guided learning hours (the equivalent of 2 GCSEs). These courses develop practical and technical skills and contribute to the apprenticeship framework at level 2. In addition, a cohort of most able students study AQA Level 2 Certificate in Further maths. This qualification prepares students for advanced mathematical study but does not count towards headline figures in performance tables for most of these students. All students at AUEA participate in language study throughout KS3 and KS4, studying Mandarin and German in year 9 before selecting Level 2 Global Business Communication in either Mandarin or German during years 10 and 11.

**KS4**

It is important to note this is the first year since 2019 the GCSE cohort has sat a full suite of exam papers with no adjustments. The DFE recommendation is to compare with results from 2019 (pre COVID).

It is also important to highlight that in 2023 nationally, grade boundaries have been adjusted to protect the integrity of GCSE standards, as a result GCSE grades are lower this year compared to 2022, in fact according to the DFE, 0.3ppt lower than 2019.

Whilst we recognise overall results at AUEA are lower in 2023 9-4 68.5%, 9-5 44.6%, 9-7 12.5% than 2022, 9-4 73.8%, 9-5 51.3%, 12.2% with the 2023 average grade of students being a grade 4, we have to remember the above information and acknowledge there are many positives seen in the 2023 results.

Students achieving 9-4 in English and Maths 68.3% (NA 65% 2019) compared with the 2019 AUEA results 45%. Redborne data also indicates overall progress for ALL students from the average baseline is positive, placing AUEA significantly above national and in the top 10%, clearly the quality of teaching and rigor of intervention based on accurate assessment meant no child was left behind.

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## Examinations Results (cont'd)

Indicator	2019	2020 (CAG)	2021 (TAG)	2022	2023	National (2019)
Number of students in KS4	131	124	75	78	82	
Students achieving En and Ma at level 2	45.0 (9-4)	58.7 (9-4)	74.3 (9-4)	78.2 (9-4)	68.3 (9-4)	64.6 (9-4)
	24.4 (9-5)	34.1 (9-5)	45.9 (9-5)	47.4 (9-5)	39.0 (9-5)	43.2 (9-5)
Students achieving En at level 2	53.4 (9-4)	76.2 (9-4)	89.2 (9-4)	80.8 (9-4)	82.9 (9-4)	75.8 (9-4)
	35.9 (9-5)	49.2 (9-5)	66.2 (9-5)	60.3 (9-5)	57.3 (9-5)	60.6 (9-5)
Students achieving Ma at level 2	64.9 (9-4)	70.6 (9-4)	79.7 (9-4)	83.5 (9-4)	76.8 (9-4)	70 (9-4)
	38.2 (9-5)	49.2 (9-5)	51.4 (9-5)	59.0 (9-5)	41.5 (9-5)	49.1 (9-5)
						20.4 (9-7)

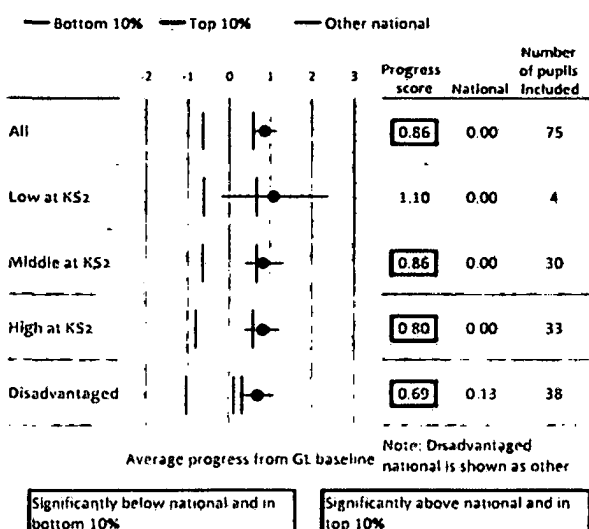
Indicator	2019	2020 (CAG)	2021 (TAG)	2022	2023	National (2019)
Students achieving 2 Science GCSEs at level 2 (or equivalent)	42.0 (9-4)	65.3 (9-4)	57.0 (9-4)	71.8 (9-4)	62.2 (9-4)	
	22.1 (9-5)	37.9 (9-5)	37.5 (9-5)	55.1 (9-5)	41.5 (9-5)	
Students achieving 9-4 (or equivalent) in a foreign language (inc GBC German)	14	58	66	70	77	
Average number of GCSE equivalent exams	8.5	8.5	8.5	8.5	8.5	
APS per entry	3.76	4.85				
Progress from starting point in English	-0.18	-0.16	1.32	0.48	0.53	0
Progress from starting point in Maths	0.08	0.27	0.69	0.97	0.90	0
Students with at least 1 qualification including Alternative provision	100	100	100	100	100	
Attainment 8	37.57	44.15	51	50.1	50	46.7
Progress from GL baseline	-0.3	0.14	1	0.84	0.86	0

## Aston University Engineering Academy

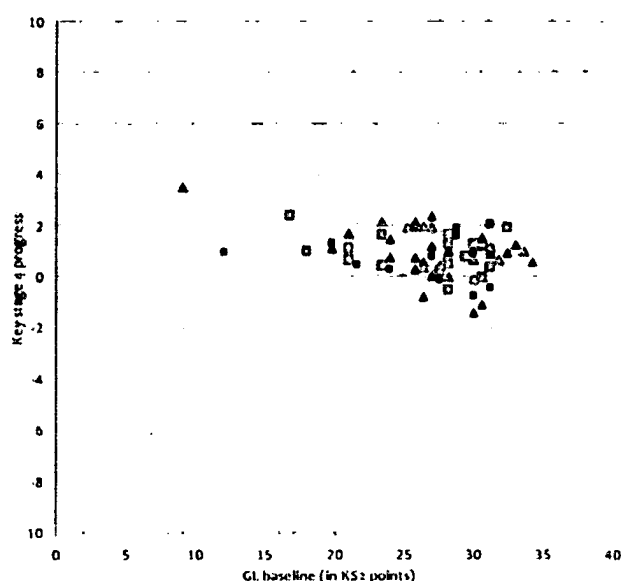
Overall progress from average GL baseline: Year 11 - Results, Exam Year: 2023



## Overall progress from GL baseline



## Overall Progress from GL baseline scatterplot



## TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## Year 13 BTEC Results



Sixth Form

	Average Grade	D*D				D*M				D*P			
		2023 Results	2023 National	2022 Results	2022 National	2023 Results	2023 National	2022 Results	2022 National	2023 Results	2023 National	2022 Results	2022 National
Applied Science	D*	73.7		52.9	43.0	100.0		88.2	79.1	100.0		100.0	98.3
Business	D*	83.3		91.7	42.5	83.3		91.7	76.2	100.0		100.0	97.4
Engineering Extended Diploma	D	55.4		48.8	35.7	94.6		90.2	71.8	100.0		96.7	95.9
Engineering Diploma	D	42.9		43.8	40.6	85.7		93.8	75.2	100.0		100.0	98.5

The highlighted columns show A Level 2022/23 Results v 2018/19 Results



Sixth Form

	Average Grade	A*-A				A*-B				A*-C				A*-E			
		2023 Results	2023 National	2019 Results	2019 National	2023 Results	2023 National	2019 Results	2019 National	2023 Results	2023 National	2019 Results	2019 National	2023 Results	2023 National	2019 Results	2019 National
Art		0.0	31.3		27.8	16.7	62.6		60.3	83.3	85.1		84.7	100.0	99.0		99.0
Biology		0.0	27.1	7.7	24.3	5.4	48.7	30.8	44.7	47.8	68.6	53.8	67.0	94.6	95.7	92.3	96.0
Business		0.0	16.2	14.3	14.8	21.4	46.7	42.9	44.1	78.6	75.0	57.1	74.1	100.0	97.6	85.7	97.7
Chemistry		1.3	32.2	14.3	29.0	26.8	53.8	14.3	51.9	48.8	71.6	57.1	71.8	100.0	95.9	95.2	96.0
English		0.0	25.9	0.0	25.3	0.0	57.9	0.0	53.8	20.0	83.2	75.0	80.4	100.0	99.2	100.0	99.3
Maths		20.0	41.9	16.7	41.4	42.9	60.9	23.8	59.2	65.0	76.4	40.5	75.6	100.0	96.4	88.1	97.0
Further Maths		25.0	58.5	40.0	54.1	25.0	77.0	40.0	74.0	100.0	88.6	40.0	87.0	100.0	98.0	60.0	98.1
Physics		5.9	31.7	20.0	28.1	23.5	51.4	33.3	50.6	47.1	69.3	46.7	70.5	88.2	95.3	93.3	95.3
Product Design		28.6	17.9	0.0	16.4	28.6	42.3	18.2	39.9	85.7	68.9	81.9	67.8	100.0	96.7	100.0	97.0
Overall		8.6	27.2	14.9	25.5	23.6	53.4	25.6	51.6	55.2	75.9	52.1	75.8	97.7	97.3	90.1	97.6

At Post 16, It cannot be ignored that the 2022/23 cohort of students were the a cohort to have entered their sixth form journey on some Teacher Assessed Grades (TAG's), and reduced content/pre-release GCSE exams. Combined with sustained impact of COVID-19, this meant that nationally grades were lower than expected for learners. However, AUEA's 2022/23 A level grades were significantly below national standard and though only constituting a smaller number of learners compared to vocational cohort, Leaders remain focused on ensuring rapid improvement in these A levels.

### SKILLS FOR THE FUTURE

As well as the academic outcomes, the key benefit of attending a UTC is the skills for the future, generated by our employer projects, business ethos, core values of our 7 Rs as well as our multicultural community.

### Combined Cadet Force

In May 2017, AUEA was awarded the privilege of a school based Cadet force contingent by the DfE's CEP 500 programme. Launching in September 2017 AUEA with a target of 30 students, by December AUEA's cadet force was over 100 strong. In 2022/23, the size of the cadet force was over 150 students.

AUEA has 5 staff (excluding SSI) of whom 4 have commissions. Students follow a full and varied programme with additional extra-curriculum activities in the form of visits/trips, e.g. to the National Memorial Arboretum and RAF Cosford Museum. AUEA CCF also holds an annual Remembrance parade and service attended by all students and staff. Support and acknowledgement from the parents/carers has been fantastic, as they know how much of an impact the CCF has with the Cadets.

In 2019 AUEA was awarded additional Cadet services of Police Cadets and Royal College of Nursing Cadets. In 2022/23 we are delighted that AUEA was not only awarded a second CCF contingent for the Royal Navy but a third contingent of the Army. This now makes AUEA one of the few tri-services CCF centres of excellence.

### Wider Skills

A key differential of studying at a UTC is the role of employers, enhanced placements and wider skills.

The UTC consistently promotes the extensive personal development of students. This starts before they even join the UTC through dedicated careers meetings and university induction days. We continually challenge the students to consider "What makes them different?" especially when considering how they will stand out in the future with UCAS, apprenticeships and employment.



**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Wider Skills (cont'd)**

The Personal Development curriculum has equity with the Academic and Technical curriculum, so that students have access to a wide, rich set of experiences which support them to be confident, resilient and independent. These experiences are provided in a coherently planned way reinforced by outstanding external partners including the University, employers and the armed forces all which considerably strengthen the UTC's offer. Students work with SLT mentors to track and record the development of their personal and employability skills. The way the academy goes about developing students' character is exemplary. Opportunities for students to develop their talents and interests are of exceptional quality. Students appreciate the opportunities provided and there is strong take-up, including by disadvantaged students and those with SEND.

**Principal Risks and Uncertainties**

The board of trustees has established a risk management strategy and risk register and has assessed the risks impacting on the academy. This include consideration of those risks impacting on trustees' responsibilities to ensure the trust's estate is safe, well maintained and complies with relevant regulations. External reviews have been undertaken on AUEA's estate in 2019, 2020 and 2021 as part of both DFE reviews, RAAC reviews and for evidence base for future expansion. The Academy utilises its strong relationship and sponsorship from construction and engineering employers to support these reviews and ensuring that AUEA complies with developing building regulations.

The key financial risk that has been identified and is being monitored and managed, is a failure to maintain strong financial health to support the development priorities of the academy. This is being mitigated through the implementation and monitoring of the five-year plan agreed by the board of trustees, close monitoring and intervention on student numbers which influence the funding of the academy, and high level financial guidance and support provided by AUEA's sponsor, Aston University. The SLT has implemented a number of improvements to internal control, especially in the operational areas and in relation to the control of finance, with advice and assistance from colleagues from the Finance Department of Aston University and from the Auditors.

Maintaining high standards and excellent levels of student achievement are two of the academy's key performance related risks, which are challenging given the diverse backgrounds of the pupil intake, and the SLT are taking positive action to mitigate these risks through close monitoring and appropriate interventions.

Another risk highlighted is failure to recruit and retain staff with the appropriate skills and experience, which is mitigated through the adoption of appropriate marketing of the academy, effective staff induction and performance review processes and a staff benefits scheme.

**Key Financial Performance Indicators**

	<b>2023</b>	<b>2022</b>
Pupil numbers (per Census)	778	720
Staff costs as a % of revenue income received from ESFA	77%	77%
Staff costs as a % of total costs	70%	73%
Capital expenditure per pupil (£)	£269	£642
Teaching Staff : Pupil Ratio	01:20	01:20

**Going Concern**

This was re-considered particularly in June 2021 when AUEA committed £691k from reserves to the Post-16 Capacity Bid. Notwithstanding this exceptional decision, the Board of Trustees continues to have a reasonable expectation that AUEA has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### **Financial Review**

The incoming resources for the year of £6,792k (2022: £5,390k) consist primarily of revenue grants of £5,521k (2022: £5,183k) of which £5,497k (2022: £5,168k) was from DfE/ESFA. These revenue grants include £4,968k (2022: £4,677k) GAG, £130k (2022: £130k) Pupil Premium and £399k of other DfE/ESFA income (2022: £361k). The remainder of the incoming resources is made up of £12k (2022: £7k) for SEN support, other grants of £12k (2022: £8k), capital grants of £1,130k (2022: £166k), bank interest of £Nil (2022: £Nil) and other income of £141k (2022: £41k).

The expenditure of £6,056k (2022: £5,422k), detailed in Notes 7, 8 and 9, consists of educational costs £3,815k (2022: £3,738k), depreciation £259k (2022: £316k), loss on disposal £342k (2022: £Nil), support costs including non-educational cost-of-sales £1,094k (2022: £842k), premises costs of £398k (2022: £409k), technology costs of £116k (2022: £83k) and governance costs of £32k (2022: £34k).

Financial Performance can best be measured with reference to the movement in the Restricted and Unrestricted Income Funds as shown on the Balance Sheet as this excludes the movement in the Local Government Pension Scheme (LGPS) and the Restricted Fixed Asset Fund. This shows a surplus for the year of £458k (2022: £233k).

Financial management at the Academy is strong with increasing costs being managed well within income constraints in successive years.

The academy cleared all of its historic debt for PNA in 2018/19 and has achieved a positive revenue reserves position as at 31 August 2023 and 2024, excluding the Fixed Asset and Pension Reserves. The cost base has been rationalised to ensure expenditure within budget in 2024/25 but employment costs and non-staffing costs – especially for energy - continue to rise and need to be matched by increased government funding in future.

Aston University has continued to support AUEA through flexible recharge payment terms to allow the academy to retain sufficient cash to meet future obligations, although this has been unnecessary in practice for the last 2 years. Since December 2018, the academy has succeeded in reducing outstanding payroll debt from up to 90 days' credit to less than 30 in 2019/20 and this continues to look sustainable for the immediate future.

### **Financial and Risk Management Objectives and Policies**

As an academy funded directly by the Department of Education, funding streams are considered to be relatively secure, subject to achievement of pupil numbers, although the Trustees recognise government policy and overall funding levels represent an ongoing external risk to be managed.

The trustees have a risk management strategy and policy which is reviewed on a regular basis. The academy endeavours to manage its finances to ensure a healthy level of reserves sufficient to cover unforeseen circumstances and to use prudently as a part of its longer term financial plan.

The academy's financial objective is to sustain strong finances with flexible resource management and excellent value for money:

- the academy sets ambitious annual recruitment, income and surplus targets.
- it makes annual and longer term financial forecasts of income and expenditure.
- it maintains financial health through effective, consultative and transparent planning systems.
- it has adopted flexible financial planning to meet the development needs of the academy.

### **Reserves**

All the income and expenditure is accounted for in three Reserves. The net surplus across all three Reserves in the year was a surplus of £1,325k (2022: £1,893k surplus). This was due to LGPS charges and adjusted provision totalling £307k surplus (2022: £1,595k surplus).

The Restricted General Reserve in which the educational activities are accounted has a surplus of £729k in the year (2022: £1,801k surplus), including the decrease in the LGPS surplus of £307k (2022: £1,595k surplus), and a cumulative surplus of £1,348k (2022: £619k surplus).

The Unrestricted Reserve is where fund raising and non-educational activities are accounted. It has a £121k balance as at 31 August 2023 (2022: £85k). This reserve can be used for any purpose if the General Reserve is not in deficit.

The Fixed Asset Reserve is where the capital expenditure of the Academy is accounted. The movements on this reserve represent additions and in-year depreciation on fixed assets mostly gifted to AUEA on start-up.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Reserves (cont'd)**

The net movement in the year is a surplus of £560k (2022: £65k surplus) represented mainly by the £601k (2022: £316k) depreciation charge offset by £1,130k capital funding (2022: £166k). This reserve can only be used to fund capital activities.

The academy has no funds held on medium or long term deposit. At present, with interest rates historically low, cash is being retained in the academy's current account which is free of charge and earns a negligible amount of interest.

As at the year end, cash held of £2,964k (2022: £1,253k), of which £317k (2022: £300k) is effectively owed to Aston University as payroll debt. Thus a modicum of free reserves have been generated for three years in succession, enabling AUEA to begin in 2022/23 to co-fund with the DfE a significant building extension to increase capacity.

**Investment Policy**

All investments are made in accordance with the policy of the trust. The trust's policy on investments are one of minimum risk with all investments being held with the trust's bankers. The trust will nevertheless seek to maximise interest receipts within this arrangement. This policy will be reviewed in the year ending 31 August 2024. Investments are made with regard to Charity Commission guidance in relation to investments.

**Principle Risks and Uncertainties**

The Board of Trustees has established a risk management strategy and risk register and has assessed the risks impacting on the Academy.

The significant political and economic instability, combined with rapid rises in costs and products results in a key financial risk to all schools. Although AUEA is a strong financial position currently, these uncertainties especially in consideration of future cuts to education have to be recognised as a risk to support the development priorities of the Academy. The Trust board and leaders are continually closely monitoring the changing landscape and managing the risks mitigation through the implementation and monitoring of the five-year plan agreed by the Board of Trustees, close monitoring and intervention on student numbers which influence the funding of the Academy, and high level financial guidance and support provided by the Academy's sponsor, Aston University and the Baker Dearing Trust. Additional work with linked Employer Cundall's has supported the development of a Carbon Neutral Plan by 2050 and AUEA has already implemented energy saving activities and is benefiting from extended term energy deals.

Maintaining high standards and excellent levels of student achievement are two of the Academy's key performance related risks, which are challenging given the diverse backgrounds of the pupil intake and the SLT is taking positive action to mitigate these risks through close monitoring and appropriate interventions. Another risk highlighted is failure to recruit and retain staff with the appropriate skills and experience which is mitigated through the adoption of appropriate marketing of the Academy, effective staff induction and performance review processes and a staff benefits scheme.

Reliable and growing student numbers resulted in the success of a DfE Post-16 Capacity Bid for a £4.6m expansion project, however, external factors (e.g. Ukraine war, construction sector delays along with energy and materials rising costs, increased the financial risk factor to the UTC at an additional £1,900,000 above the already committed £690,000 match funding. Consequently, the Board of Trustees stopped the project at RIBA stage 3, and resubmitted additional application to the Post 16 Capacity Fund Round 2. This however was unsuccessful, and this posed significant risk in 2022/23. However, the Academy continued to seek additional capital funding which resulted instead from August 2023 in a capital provision of 2 Lister Street (£25 Million) building, adjacent to AUEA, on the closure of the occupying college.

Post 16 Curriculum reforms, mean that BTECs to which 80% of AUEA's post 16 work is linked are being defunded. This means significant risk to future income for the academy. Consequently, the leadership and Board have been working for a number of years with the DfE to secure capital and specialist equipment funding for the DfE's new T level courses. AUEA secured over £900K of specialist Equipment and £25 Million building for new T levels starting in September 2023. The defunding of Engineering and continued transfer of students from BTEC to T level, especially with scalable challenges with placements, remains the significant principle risk for the UTC.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Fundraising**

To date, AUEA has not embarked on fundraising activities. However, this is likely to change in future with the growth of the alumni community.

**Grants**

In 2022/23 AUEA secured additional revenue grant income for a range of items, mostly related to the recovery from the Pandemic, as set out in Note 4.

**Plans for Future Periods**

- Plan and implement introduction of new T-Levels
- Continue work in respect of Ofsted from Good to Outstanding
- Increase the capacity of the UTC through further adaption of the building and 2 Lister Street to facilitate new learning spaces
- Support the development of Aston University Mathematics School
- Conversion of AUEA from SAT to MAT in line with DfE requirements and in readiness for joining with Aston University Mathematics School
- Develop external options for building and UTC expansion including at Post 19.

**Funds held on behalf of others**

The Academy administers the 16-19 years-old Bursary Fund on behalf of the ESFA represented by income of £139k (2022: £80k). It also collects and holds funds paid in advance of trips, events and activities, some of which are funded by grants. As these amounts are relatively small they are included in other creditors.

**Auditor**

Insofar as the trustees are aware:

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

The auditors, UHY Hacker Young (Birmingham) LLP, are willing to continue in office and resolution appoint them will be proposed at the annual general meeting.

The trustees report incorporating the strategic report was approved by order of the board of trustees on 5 December 2023 and signed on its behalf by:



.....  
**Professor Stephen Garrett (Chair of Trustees)**

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023****Scope of Responsibility**

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

The Board Trustees has delegated the day-to-day responsibility to the 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 funding agreement between Aston University Engineering Academy Trust and the Secretary of State for Education. The Principal is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees formally met four times during the period. Since on-line meetings worked well during the Covid-19 restrictions, and suit governors with full-time jobs elsewhere, it was agreed that meetings would continue virtually throughout 2022/23 and the hybrid. Attendance at meetings of the board was as follows:

<b>Trustee</b>	<b>Date Appointed</b>	<b>Total Possible</b>	<b>Total Attended</b>	<b>% Attended</b>
Richard Billingham	13.03.17	4	4	100%
Michael Coulson	01.08.19	4	4	100%
Alison Davies	31.05.19	2	1	25%
Dr Antonio Fratini	01.08.19	4	2	50%
Prof Stephen Garrett	01.12.22	3	3	100%
Aman Gill-Knobbs	01.08.19	4	4	100%
Rachael Grant	27.03.18	4	4	100%
Dr Paul Harper	01.08.12	4	4	100%
Lee Harvey	01.09.20	4	4	100%
Peter Hazzard	01.08.16	4	4	100%
Wg Cdr Martin Larwood-Hug	01.11.22	4	3	75%
Dan Locke-Wheaton	01.08.12	4	4	100%
Tejinder Malhi	19.01.23	2	2	100%
Sarah Plumb	01.08.19	4	1	25%
Neil Scott	01.03.15	1	1	100%
Richard Toy	01.11.17	4	3	75%
Jim Wade	01.01.21	4	4	100%
<b>TOTAL</b>		<b>60</b>	<b>52</b>	<b>85%</b>

**Conflict of Interest**

The Academy requires all governors and senior staff who attend the Board and its Forums to make annual declarations of interest that are recorded in the register of interests. This is used as a prerequisite for procurement so that any potential related party transaction is identified in advance, treated on an arm's-length basis and reported to the ESFA. A related party transaction that would result in payment of more than £20k in a year to a related party would be considered and authorised by the trustees and reported to the ESFA in advance for approval. Such transactions would normally be subject to a formal tender process in accordance with the Academy's Purchasing Policy and any issues with regard to conflict of interest would receive particular scrutiny by staff and governors. No purchase order would be issued in these cases without ESFA approval. Related parties are required to operate transparently in their relationship with AUEA and to provide an annual Statement of Assurance of supply at no more than cost.

Further to the retirement of the University's Director of Governance, John Walter, as at 31 July 2021, the University provided for the appointment of Julie Ottley as Secretary to the Board with effect from 1 July 2021 who attended all of the full Board meetings in the year. This role moved to Nadia Bareford from 3 October 2023. The Academy's Vice-Principal, David Chapman, and the Business Manager, Amanda Kaye, also attended all Board and LLF meetings. Other members of the Senior Leadership Team attended meetings by invitation to brief trustees on matters of strategic importance.

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Conflict of Interest (cont'd)**

Trustees bring a range of skills and experience to the Board including risk management, audit, governance, accountancy/financial, academic performance management (including experience of secondary schools), project management and senior management within complex organisations in the private and public sectors.

The Board approved a schedule of work for the Trustee Board and its Strategy Forums for 2022/23, which helped to ensure that they fulfilled their terms of reference and that all necessary work was completed according to schedule.

The Board agreed formally to continue to follow the model Code of Governance developed by Birmingham City Council. All Trustees and attendees of Board and Strategy Forum meetings are required to comply with the Code of Conduct, including the declaration of interests and adherence to the seven principles of public life.

The Board holds the Principal to account through financial performance and management data of the academies. This is benchmarked against other national statistics and UTC data to ensure that the academies are operating and performing in line with others. For example, the Board considered the UHY Benchmarking Report 2022/23 and the BDT Benchmarking Report for UTCs 2022/23. These indicated that the AUEA was bucking the national trend in having above average per pupil funding and a reasonable surplus, although it had relatively high teacher salaries and facilities costs in comparison with secondary schools nationally.

Effective oversight of the academy trust funds is achieved through:

- The scheme of delegation which identifies the delegated financial responsibilities and reporting
- The Leadership and Finance Forum which met four times this year
- Regular meetings between the Principal and the Chair of the Trust Board

The Board regularly reviews the Academy Trust's strategic risk register and the actions being taken to mitigate the risks and is satisfied that the executive is addressing the identified risks effectively. Some of the risks were still being impacted negatively by Covid-19 in 2022/23. The principal strategic tasks, risks and challenges faced by the Board in 2022/23 are set out in the Trustees' Report.

The Leadership and Finance Forum (LFF) is a sub-committee of the main Board of Trustees. Its primary purpose is to review and agree the key finance, resource and organisational matters of the Academy, and to act as an Audit Committee. The Forum provides challenge and support to the Principal and the Leadership team in relation to the following AUEA policy areas: Finance, procurement and audit; HR, including staff recruitment, remuneration and performance management; student recruitment; Health and Safety and Facilities Management; IT and Data management, including GDPR; and Risk Management and Business Continuity. LFF has established and monitors Key Performance Indicators to ensure effective leadership and prudent financial management of the Academy, reporting regularly and raising issues to the Board of Trustees. LFF increasingly uses national and UTC sector data to benchmark the performance of the Academy and to ensure that is operating and performing in line with like institutions.

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Date Appointed</b>	<b>Total Possible</b>	<b>Total Attended</b>	<b>% Attended</b>
Richard Billingham	13.03.17	4	4	100%
Alison Davies	27.05.19	4	4	100%
Peter Hazzard	01.08.16	4	3	75%
Tejinder Malhi	01.06.17	4	4	100%
Richard Toy	01.11.17	4	3	75%
<b>TOTAL</b>		<b>20</b>	<b>18</b>	<b>90%</b>

Richard Billingham, the University's Executive Director of Human Resources and Organisational Development, Chairs the LFF. Tejinder Malhi, EAS Financial Partner from the University, is a co-opted independent LFF member who is not a member of the Board of Trustees to strengthen the professional financial expertise of the membership. Alison Davies is the Director of Finance at Aston University.

The terms of reference and membership for the Leadership and Finance Forum include the functions of an audit committee. Staff from the Academy are excluded from membership of the Forum in view of the need for an independent audit function; however, the Principal, Business Manager and the Facilities Manager are in attendance at meetings.

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022 (cont'd)**

UHY Hacker Young attended 22 November 2023 meeting of the LFF to present the External Auditor's Management Letter, which made some minor recommendations but provided clean audit opinions on both the financial statements and use of funds audits subsequently noted by the main Trustee Board on 6 December. LFF subsequently received reports on Executive actions taken to address the recommendations.

LFF received termly reports from the internal auditors (DRB Management Ltd) and received reports on executive actions taken to address DRB's recommendations.

LFF received regular reports on health and safety arrangements at the Academy, noting that no RIDDOR incidents had occurred during the year. The AUEA Covid-19 lockdown had presented a number of challenges and resulted in the Facilities Manager having to prioritise time to include risk assessing the building, services and coordinating practical aspects that were necessary to ensure the safety and welfare of staff and students in attendance given the social distancing and cleaning requirements.

The Principal's Performance Review Committee, comprising Neil Scott, Richard Billingham and Dr Paul Harper, met to review the Principal's performance and made a recommendation on his remuneration to the Board.

LFF has a Pay Review Sub-Committee that met on 23 November, consisting of members only including the Principal. It receives the annual report on the performance management of staff and the executive's recommendation for cost-of-living additions to salary and pay scale increments. Recommendations on these matters were made to the full Board on 7 December 2021.

**Governance Review 2022/23**

The Board was pleased to note in September 2021 that the Governing Board Action Plan 2020/21 had been fully implemented. This was scrutinised by an External Governance Review undertaken by George Craig, National Leader of Governance (November 2022). This review highlighted that:

- 1 AUEA has an effective governing board.
- 2 Governance of the academy is strong.
- 3 Governors know the academy well and provide good support and challenge to school leaders.
- 4 They are determined for all students to receive a high-quality education.
- 5 The academy is extremely well led.
- 6 Since the previous governance review, leaders and governors have successfully led the school through a period of significant change. Positive impact can be seen in all aspects of the school's work, and leaders and governors are ambitious for continued improvement.
- 7 Members of the board have an accurate understanding of the actions taken to improve the school. They receive a range of information from leaders so that they are well informed.

**Governor Training and Briefing Provided in 2022/23**

Governors benefitted from training provided by the Birmingham Governors Association in 21/22 including compulsory induction training for New Governors.

Additional Training that occurred in 2022/23 to all Governors included:

- September 2022 – Governors Workshop on Keeping Children Safe in Education, Role of Governors in Safeguarding schools.
- November 2022 – Ofsted inspection training, the role of the Governor during inspections.
- December 2022 - Understanding School Evaluation within the Revised 2019 Ofsted Framework
- SEND and the Role of the Governor

**Review of Value for Money**

As accounting officer, the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, which is becoming an increasing priority as budgets tighten. Reports are made to the board of Trustees where value for money can be improved, including the use of applicable benchmarking data and review of contracts exceeding £10,000.

**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**

In addition to regular savings in the year due to rigorous purchasing practice, value for money has been delivered in a climate of rising prices, including by:

- Recruiting placement students from Aston University, making economic application of the DfE's post-Covid tutoring grants, particularly as Covid-19 Maths mentors and in key support roles;
- Collaborating closely with Aston University, the Trust's sponsor, which provides a range of cost-effective services, including Human Resources and Payroll, access to sporting and social facilities and additional staff car-parking on the University campus. In 2020/21 and 2021/22, the collaboration included a joint student mentoring project that was part-funded by a DfE grant of £20k for Cross-Sector Partnership;
- Continuing to work with industry partners to meet the aims of the UTC and to broaden the education received by our students, including the external student rail placement programme with Infra Skills;
- Working within the network of UTCs to help and support future development and effectiveness of education in STEMM.
- Restrained spending on routine maintenance (8% saving in year) and small capital purchases (limited to £100k from £215k approved) to accommodate anticipated overspend on the building extension project.
- Saving significant increases in utility costs due to the continuation of long term contracts for electricity and gas, due for renewal in Sept 2023 and August 2025 respectively.
- The trust has undertaken external reviews of estate in respect of: hazardous/ at risk materials including RAAC, Aesbestos and building condition services.
  - hazardous/ at risk materials including RAAC, Aesbestos and building condition services.
  - As part of the Post 16 capacity expansion funding , a full structural review of AUeA was undertaken in 2022 by AUEA's original structural engineers.
  - Additional structural surveys occurred in respect of hall loading.
  - CIF consultants have been used along with original contractors Lendlease to review the roof issues (inherent from build) and a CIF bid is being submitted in 2023.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Aston University Engineering Academy Trust for the period ending 31 August 2023 and up to the date of approval of the annual report and financial statements. Termly reports are received from the Academy's internal auditors, Drb Ltd. by LFF which monitors corrective action and progress relating to recommendations made. Drb Ltd has also provided a summary Internal Scrutiny Report for the ESFA in response to a new requirement last year.

**Capacity to Handle Risk**

The Board of Trustees and the LFF have reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that an effective formal on-going process for identifying, evaluating and managing the Academy trust's significant risks was in place for the period ending 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the LFF and the Board of Trustees.

**The Risk and Control Framework**

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

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



**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****The Risk and Control Framework (cont'd)**

- identification and management of risks.

LFF agreed that Drb should be re-engaged to carry out termly internal audit visits and to submit termly reports thereon to the Forum. In 2022/23 testing covered payroll, purchases, contracts, capital contracts, income, expense claims, petty cash, the accounting system, checking the Academy's reporting and budget monitoring. Staff from the University's Finance Department have continued to advise Academy staff on the development of the Academy's financial systems and processes and in January 2022 the academy transferred to IRIS Financials, which is a system designed to account for a MAT.

**Review of Effectiveness**


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

- the work of the external auditor;
- the work of the internal auditor;
- work and advice from qualified staff from the University Finance Department;

Approved by order of the members of the Board of Trustees on 5 December 2023 and signed on its behalf by:



.....  
**Professor Stephen Garrett**  
**Chair of Trustees**

  
Daniel Locke-Wheaton (Dec 11, 2023 16:05 GMT)  
.....

**Mr Daniel Locke-Wheaton**  
**Accounting Officer**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2023**


As accounting officer of Aston University Academy Birmingham I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, including for estates safety and management, under the funding agreement 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 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2022.

I confirm that the following instance of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

**Financial issues**

- The Trust failed to obtain prior approval from the ESFA for related party transactions with a sponsor of £84k.

  
Daniel Locke-Wheaton (Dec 11, 2023 16:05 GMT)

**Mr Daniel Locke-Wheaton**  
**Accounting Officer**  
**5 December 2023**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2023**

The trustees (who act as governors) of Aston University Engineering Academy Birmingham and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 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 will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 5 December 2023 and signed on its behalf by:



.....  
**Professor Stephen Garrett**  
**Chair of Trustees**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTON UNIVERSITY ENGINEERING ACADEMY BIRMINGHAM FOR THE YEAR ENDED 31 AUGUST 2023****Opinion**

We have audited the financial statements of Aston University Engineering Academy Birmingham (the charitable company) for the year ended 31 August 2022 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statement, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Aston University Engineering Academy Birmingham's affairs as at 31 August 2023 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023

**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 trustees' use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

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

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

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the financial statements. 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.

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 course of 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTON UNIVERSITY ENGINEERING ACADEMY BIRMINGHAM FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the Strategic Report, and the Trustees Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 trustees' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 27, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Aston University Engineering Academy Birmingham's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or 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:

Based on our understanding of the Aston University Engineering Academy Birmingham and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Aston University Engineering Academy Birmingham, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities SORP 2019 and Academies Accounts Direction 2022 to 2023. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the Aston University Engineering Academy Birmingham's net income for the year.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTON UNIVERSITY ENGINEERING ACADEMY BIRMINGHAM FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Education and Skills Funding Agency review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

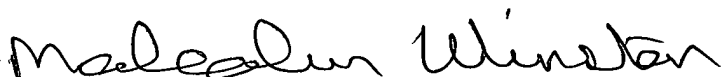
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTON UNIVERSITY ENGINEERING ACADEMY BIRMINGHAM FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Use of our report**

This report is made solely to the Aston University Engineering Academy Birmingham'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 Aston University Engineering Academy Birmingham'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 Aston University Engineering Academy Birmingham's and the Aston University Engineering Academy Birmingham's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
**Malcolm Winston**

**Senior Statutory Auditor**

**UHY Hacker Young (Birmingham) LLP, Statutory Auditor**

**9-11 Vittoria Street**

**Birmingham**

**B1 3ND**

**5 December 2022**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASTON UNIVERSITY ENGINEERING ACADEMY BIRMINGHAM AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2023**

In accordance with the terms of our engagement letter dated 11 August 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2022 to 2023 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the academy trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Aston University Academy Birmingham and the ESFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the ESFA those matters we are required to state to it 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 Aston University Academy Birmingham and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Aston University Engineering Academy Birmingham's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Aston University Engineering Academy Birmingham funding agreement with the Secretary of State for Education dated 30 March 2014, and the Academy Trust Handbook extant from 1 September 2022 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 2022 to 2023. We report to you whether, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities

**Approach**

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

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

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

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

Summary of the work undertaken was as follows:

- Analytical review of the academy trust's general activities are within the academy trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Review of the general control environment for the academy trust on financial statements and on
- Sample testing of expenditure transactions to ensure the activity is permissible within the academy trust's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the academy trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;



**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASTON UNIVERSITY ENGINEERING ACADEMY BIRMINGHAM AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Approach (cont'd)**

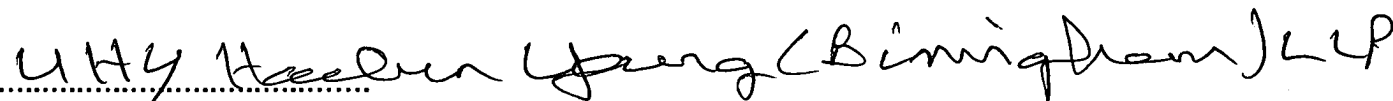
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or trustees; and
- Review of income received in accordance with the activities permitted within the academy trust's charitable objectives.

**Conclusion**

In the course of our work, the following instances of material irregularity were identified:

**Financial issues**

- The Trust failed to obtain prior approval from the ESFA for related party transactions with a sponsor of £84k.

  
.....  
**UHY Hacker Young (Birmingham) LLP**  
**9-11 Vittoria Street**  
**Birmingham**  
**B1 3ND**

**5 December 2023**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023**  
**(Including Income and Expenditure Account)**

		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed	2023	2022
		£'000	Funds	Asset	£'000	£'000
		£'000	£'000	Funds	£'000	£'000
<b>Income from:</b>						
Donations and capital grants	3	-	-	1,130	1,130	166
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	5,521	-	5,521	5,183
Other trading activities	5	141	-	-	141	41
Investment income	6	-	-	-	-	-
<b>Total</b>		<b>141</b>	<b>5,521</b>	<b>1,130</b>	<b>6,792</b>	<b>5,390</b>
<b>Expenditure on:</b>						
Raising funds		105	-	-	105	14
Charitable activities:						
- Academy trust's educational operations	7	-	5,350	259	5,609	5,408
Loss on disposal	7	-	-	342	342	-
<b>Total</b>		<b>105</b>	<b>5,350</b>	<b>601</b>	<b>6,056</b>	<b>5,422</b>
<b>Net income/(expenditure)</b>		<b>36</b>	<b>171</b>	<b>529</b>	<b>736</b>	<b>(32)</b>
Transfers between funds	15	-	(31)	31	-	-
<b>Other recognised gains and losses</b>						
Actuarial gain on defined benefit pension schemes	26	-	589	-	589	1,925
<b>Net movement in funds</b>		<b>36</b>	<b>729</b>	<b>560</b>	<b>1,325</b>	<b>1,893</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<b>85</b>	<b>619</b>	<b>6,937</b>	<b>7,641</b>	<b>5,748</b>
<b>Total funds carried forward</b>	15	<b>121</b>	<b>1,348</b>	<b>7,497</b>	<b>8,966</b>	<b>7,641</b>

All of the academy trust's activities derive from acquisitions and continuing operations during the above two financial periods.

## BALANCE SHEET AS AT 31 AUGUST 2023

	Note	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Tangible assets	12	<u>6,626</u>	<u>7,018</u>
		<u>6,626</u>	<u>7,018</u>
<b>Current assets</b>			
Debtors	13	152	337
Cash at bank and in hand		<u>2,964</u>	<u>1,253</u>
		<u>3,116</u>	<u>1,590</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	14	<u>(776)</u>	<u>(660)</u>
<b>Net current assets</b>		<u>2,340</u>	<u>930</u>
<b>Total assets less current liabilities</b>		<u>8,966</u>	<u>7,948</u>
<b>Net assets excluding pension liability</b>		<u>8,966</u>	<u>7,948</u>
Defined benefit pension scheme liability	26	-	(307)
<b>Total Net Assets</b>		<u>8,966</u>	<u>7,641</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
- Fixed asset fund	15	7,497	6,937
- Restricted income fund	15	1,348	926
- Pension reserve	15	-	(307)
<b>Total Restricted Funds</b>		<u>8,845</u>	<u>7,556</u>
<b>Unrestricted income fund</b>	15	121	85
<b>Total Unrestricted Funds</b>		<u>121</u>	<u>85</u>
<b>Total Funds</b>		<u>8,966</u>	<u>7,641</u>

The financial statements on pages 34 to 56 were approved by the trustees and authorised for issue on 5 December 2023 and signed on their behalf by:



.....  
**Professor Stephen Garrett**  
Chair of Trustees

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	790	299
Cash flows from investing activities	20	921	(296)
Cash flows from financing activities	21	-	-
Change in cash and cash equivalents in the reporting period		<u>1,711</u>	<u>3</u>
 Cash and cash equivalents at 1 September 2022		<u>1,253</u>	<u>1,250</u>
Cash and cash equivalents at 31 August 2023	22	<u><u>2,964</u></u>	<u><u>1,253</u></u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****1 Statement of Accounting Policies**

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

**Basis of Preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities : Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Aston University Engineering Academy Birmingham meets the definition of a public benefit entity under FRS 102.

**Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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

**Incoming Resources**

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants**

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

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

Capital grants are recognised in full when there is an 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 sheet in the restricted fixed asset fund.

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

- **Other income**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Incoming Resources (cont'd)**

- **Donated goods, facilities and services**

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

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

- **Transfers of leasehold property**

Leasehold property transferred to the academy trust from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

**Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Tangible fixed assets (cont'd)**

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 leasehold land where the lease is more than 20 years. The principal annual rates used for other assets are:

Leasehold land & buildings	2%
Furniture and equipment	10%
Computer equipment and software	20%

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

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

**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.

*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 instrument, 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.

**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.

**Pensions Benefits**

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

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 26, the TPS is a multi employer scheme with no underlying assets to assign between employers. Consequently the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****Pensions Benefits (cont'd)**

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

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

**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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)***Critical areas of judgement*

The critical judgements that the Trustees have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

**Agency Arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

**2 GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023 (see note 15).

**3 DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Devolved formula capital grant	-	19	19	19
T level specialist equipment grant	-	916	916	-
Other ESFA capital grant	-	36	36	-
Post 16 capacity fund	-	159	159	147
	-	1,130	1,130	166

The income from donations and capital grants was £1,130,000 (2022: £166,000) of which £Nil (2022: £Nil) was unrestricted and £1,130,000 (2022: £166,000) restricted fixed assets.

**4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
<b>DfE/ESFA grants</b>				
General annual grant (GAG) (note 2)	-	1,702	1,702	1,626
Post 16 funding	-	3,266	3,266	3,051
Rates relief	-	32	32	22
<b>Other DfE/ESFA grants</b>				
Supplementary grant	-	72	72	30
Mainstream additional grant	-	29	29	-
Cross sector capacity grant	-	4	4	17
Other DfE/ESFA grants	-	4	4	3
Summer school grant	-	-	-	15
Industry placement grant	-	62	62	55
Pupil premium grant	-	130	130	130
Teachers pay grant	-	-	-	36
Teachers pension grant	-	92	92	101
National tutoring programme	-	23	23	10
School led tuition	-	-	-	21
	-	5,416	5,416	5,117
<b>Other Government grants</b>				
Special educational needs grant - BCC	-	12	12	7
Other grants	-	12	12	8
	-	24	24	15
<b>COVID-19 DfE/ESFA additional funding</b>				
Catch up/recovery premium (pre 16's)	-	64	64	20
Covid post 16 tuition fund	-	17	17	27
Mass Testing	-	-	-	4
	-	81	81	51
<b>Other income from the academy trust's educational operations</b>				
Pupil catering income	-	-	-	-
	-	-	-	-
	-	5,521	5,521	5,183

The income from the academy trust's educational operations was restricted for both 2023 and 2022.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
School activities	141	-	141	41
	<u>141</u>	<u>-</u>	<u>141</u>	<u>41</u>

The income from other trading activities was £141,000 (2022: £41,000) of which £141,000 (2022: £41,000) was unrestricted and £Nil was restricted (2022: £Nil).

## 6 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Bank interest received	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The income from the academy trust's investment income was unrestricted for both 2023 and 2022.

## 7 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure		Total 2023 £'000	Total 2022 £'000
		Premises £'000	Other Costs £'000		
<b>Expenditure on raising funds</b>					
Direct costs	-	-	-	-	-
Allocated support costs	100	-	5	105	14
	<u>100</u>	<u>-</u>	<u>5</u>	<u>105</u>	<u>14</u>
<b>Academy's educational operations</b>					
Direct costs	3,310	-	505	3,815	3,738
Allocated support costs	808	657	671	2,136	1,670
	<u>4,118</u>	<u>657</u>	<u>1,176</u>	<u>5,951</u>	<u>5,408</u>
	<u>4,218</u>	<u>657</u>	<u>1,181</u>	<u>6,056</u>	<u>5,422</u>

The expenditure was £6,056,000 (2022: £5,422,000) of which £5,350,000 (2022: £5,092,000) was restricted, £601,000 (2022: £316,000) restricted fixed assets and unrestricted £105,000 (2022: £14,000).

Net (income)/expenditure for the year includes:	Total 2023 £'000	Total 2022 £'000
Operating lease rentals	24	22
Depreciation	259	316
Loss on disposal of fixed assets	342	-
Fees payable to auditor for:		
- audit	7	7
- other services	2	2

As a result of taking out a lease at the HS2 Transport College, a loss on disposal has arisen of £342,000 because the professional fees incurred in a planned building expansion at an existing site will now no longer go ahead.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

**8 CHARITABLE ACTIVITIES**

	Total 2023 £'000	Total 2022 £'000
Direct costs - educational operations	3,815	3,738
Support costs - educational operations	2,136	1,670
	<b>5,951</b>	<b>5,408</b>

**Analysis of Support Costs**

Support staff costs	808	627
Depreciation	259	316
Loss on disposal of fixed assets	342	-
Technology costs	116	83
Premises costs	398	409
Other support costs	181	201
Governance	32	34
	<b>2,136</b>	<b>1,670</b>

**9 STAFF****a Staff costs**

	2023 £'000	2022 £'000
Staff costs during the year were:		
Wages and salaries	2,954	2,727
Social security costs	321	293
Pension costs	892	894
	<b>4,167</b>	<b>3,914</b>
Agency staff costs	51	65
Staff restructuring costs	-	4
	<b>4,218</b>	<b>3,983</b>

**b Staff severance contractual and non contractual payments**

The academy trust paid Nil (2022: Nil) severance payments in the year.

**c Special staff severance non contractual payments**

Included in staff restructuring costs are special severance payments totalling £Nil (2022 : £Nil). Individually, the payments were Nil.

**d Staff numbers**

The average number of persons (including School Leadership Team) employed by the Academy during the year ended 31 August 2023 expressed as whole persons and full time equivalents was as follows:

	2023		2022	
<i>Charitable Activities</i>	No.	FTE	No.	FTE
Teachers	39	35	36	35
Administration and support - including				
Teaching Assistants	43	38	43	35
Management	6	6	6	5
	<b>88</b>	<b>79</b>	<b>85</b>	<b>75</b>

**e Higher paid staff**

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

	2023 No.	2022 No.
£60,001 - £70,000	4	2
£70,001 - £80,000	1	1
£90,001 - £100,000	1	-
£120,001 - £130,000	1	1

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****9 STAFF (cont'd)****f Key management personnel**

The key management of the academy trust comprise the trustees and the senior management team. 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 £775,675 (2022: £676,236).

**10 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees receive remuneration in respect of their contracts of employment as principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees. The value of trustee's remuneration and other remuneration was as follows:

	<b>2023</b>	<b>2022</b>
D Locke-Wheaton (Principal and Trustee)		
Remuneration	£120,001 - £125,000	£110,001 - £115,000
Employers pension contribution	£25,001 - £30,000	£20,001 - £25,000
M Coulson (Staff Trustee)		
Remuneration	£45,001 - £50,000	£40,001 - £45,000
Employers pension contribution	£10,001 - £15,000	£10,001 - £15,000
R Grant (Staff Trustee)		
Remuneration	£25,001 - £30,000	£20,001 - £25,000
Employers pension contribution	£5,001 - £10,000	£5,001 - £10,000
S Carlin (Staff Trustee)		
Remuneration	£25,001 - £30,000	£Nil
Employers pension contribution	£5,001 - £10,000	£Nil

During the year ended 31 August 2023 £Nil (2022: £1,651) travel, subsistence and educational expenses were reimbursed to the trustees.

Other related party transactions including trustees are set out in note 27.

**11 TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included but not itemised in the Academy's premium to DfE for the Risk Protection Arrangement. The total supplementary payment was £15,099 (2022: £13,699).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 12 TANGIBLE FIXED ASSETS

	Assets Under Construction £'000	Leasehold Land & Buildings £'000	Furniture & Equipment £'000	Computer Equipment £'000	Total £'000
<b>Cost</b>					
At 1 September 2022	268	7,924	1,128	936	10,256
Additions	74	9	69	57	209
Disposals	(342)	-	-	-	(342)
At 31 August 2023	-	7,933	1,197	993	10,123
<b>Depreciation</b>					
At 1 September 2022	-	1,552	923	763	3,238
Charged in year	-	159	29	71	259
Disposals	-	-	-	-	-
At 31 August 2023	-	1,711	952	834	3,497
<b>Net book value</b>					
At 31 August 2023	-	6,222	245	159	6,626
At 31 August 2022	268	6,372	205	173	7,018

In September 2012 the Academy's leasehold land and buildings were donated to the Academy by Birmingham City Council (BCC) on 125 year lease at a pepper corn rent. On 19 August 2013 an existing use valuation was prepared for the Education and Skills Funding Agency by a firm of Chartered Surveyors Mouchel that determined the leasehold land and buildings gifted had a depreciated replacement cost value of £7,767,000.

## 13 DEBTORS

	2023 £'000	2022 £'000
Trade debtors	25	12
VAT recoverable	72	167
Prepayments and accrued income	55	81
Other debtors	-	77
	<u>152</u>	<u>337</u>

## 14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Trade creditors	499	182
Other creditors	218	410
Accruals	53	52
Deferred income	6	16
	<u>776</u>	<u>660</u>

## Deferred Income

	2023 £'000	2022 £'000
Deferred income at 1 September	16	30
Resources deferred in the year	6	16
Amounts released from previous years	(16)	(30)
Deferred income at 31 August	<u>6</u>	<u>16</u>

At the balance sheet date the academy was holding funds received in advance for 2023/24 for the British Council grant £Nil (2022: £8,223), Resource fees £6,000 (2022: £7,200) and Careers grant £Nil (2022: £1,000).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 15 FUNDS

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2022 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2023 £'000
<b>Restricted general funds</b>					
General annual grant (GAG) (note i)	926	1,702	(1,249)	(31)	1,348
Post 16 funding (note i)	-	3,266	(3,266)	-	-
Rates relief grant	-	32	(32)	-	-
Supplementary grant	-	72	(72)	-	-
Mainstream additional grant	-	29	(29)	-	-
Industry placement grant (note ii)	-	62	(62)	-	-
Pupil premium grant (note ii)	-	130	(130)	-	-
Teachers pension grant (note ii)	-	92	(92)	-	-
Cross sector partnership grant	-	4	(4)	-	-
Other DfE/ESFA grants	-	4	(4)	-	-
National tutoring programme	-	23	(23)	-	-
Other COVID-19 funding	-	81	(81)	-	-
Special educational needs grant BCC	-	12	(12)	-	-
Other LA Grants (note iii)	-	12	(12)	-	-
	<b>926</b>	<b>5,521</b>	<b>(5,068)</b>	<b>(31)</b>	<b>1,348</b>
<b>Restricted fixed asset funds</b>					
Fixed assets donation (note iv)	6,071	-	(152)	-	5,919
DfE/ESFA capital grants (note v)	430	1,130	(343)	-	1,217
Capital expenditure from GAG (note vi)	431	-	(105)	31	357
Other capital grants	5	-	(1)	-	4
<b>Total restricted funds</b>	<b>6,937</b>	<b>1,130</b>	<b>(601)</b>	<b>31</b>	<b>7,497</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (note vii)	(307)	-	(282)	589	-
	<b>(307)</b>	<b>-</b>	<b>(282)</b>	<b>589</b>	<b>-</b>
<b>Total restricted funds</b>	<b>7,556</b>	<b>6,651</b>	<b>(5,951)</b>	<b>589</b>	<b>8,845</b>
<b>Unrestricted funds</b>					
Unrestricted funds (note viii)	85	141	(105)	-	121
<b>Total unrestricted funds</b>	<b>85</b>	<b>141</b>	<b>(105)</b>	<b>-</b>	<b>121</b>
<b>Total Funds</b>	<b>7,641</b>	<b>6,792</b>	<b>(6,056)</b>	<b>589</b>	<b>8,966</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 15 FUNDS (cont'd)

## Notes

- i) General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2023 (see note 2).
- ii) Other DfE/ESFA and local grants are used for the specific purposes intended.
- iii) Other restricted general grants include EU-funded projects for collaboration with a technical college in Austria.
- iv) Restricted fixed assets were funded by BCC donating Academy land and buildings on a 125 year lease at a peppercorn rent.
- v) DfE/ESFA capital grants are used for capital additions for educational purposes.
- vi) The gross transfer from the restricted general fund to the restricted fixed asset fund of £31,000 (2022: £215,000) represents the total capital expenditure from GAG during the year.
- vii) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 26).
- viii) Unrestricted funds include surpluses from activities for generating income (for example: lettings and third party event catering, staff secondments, sales of PV electricity, sales of uniform, books and revision guides and car parking receipts) and any voluntary donations to be spent at the discretion of the trustees.

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

	Balance at 1 September 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2022 £'000
<b>Restricted general funds</b>	<b>720</b>	<b>1,626</b>	<b>(1,205)</b>	<b>(215)</b>	<b>926</b>
General annual grant (GAG) (note i)	720	1,626	(1,205)	(215)	926
Post 16 funding (note i)	-	3,051	(3,051)	-	-
Rates relief grant	-	22	(22)	-	-
Supplementary grant	-	30	(30)	-	-
Industry placement grant (note ii)	-	55	(55)	-	-
Pupil premium grant (note ii)	-	130	(130)	-	-
Teachers pay grant (note ii)	-	36	(36)	-	-
Teachers pension grant (note ii)	-	101	(101)	-	-
Cross sector partnership grant	-	17	(17)	-	-
Summer school grant	-	15	(15)	-	-
Other DfE/ESFA grants	-	3	(3)	-	-
Recovery premium	-	20	(20)	-	-
Other COVID-19 funding	-	62	(62)	-	-
Special educational needs grant BCC	-	7	(7)	-	-
Other LA Grants (note iii)	-	8	(8)	-	-
	<b>720</b>	<b>5,183</b>	<b>(4,762)</b>	<b>(215)</b>	<b>926</b>
<b>Restricted fixed asset funds</b>					
Fixed assets donation (note iv)	6,221	-	(150)	-	6,071
DfE/ESFA capital grants (note v)	366	166	(102)	-	430
Capital expenditure from GAG (note vi)	277	-	(61)	215	431
Other capital grants	8	-	(3)	-	5
<b>Total restricted funds</b>	<b>6,872</b>	<b>166</b>	<b>(316)</b>	<b>215</b>	<b>6,937</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (note vii)	(1,902)	-	(330)	1,925	(307)
	<b>(1,902)</b>	<b>-</b>	<b>(330)</b>	<b>1,925</b>	<b>(307)</b>
<b>Total restricted funds</b>	<b>5,690</b>	<b>5,349</b>	<b>(5,408)</b>	<b>1,925</b>	<b>7,556</b>
<b>Unrestricted funds</b>					
Unrestricted funds (note viii)	58	41	(14)	-	85
<b>Total unrestricted funds</b>	<b>58</b>	<b>41</b>	<b>(14)</b>	<b>-</b>	<b>85</b>
<b>Total Funds</b>	<b>5,748</b>	<b>5,390</b>	<b>(5,422)</b>	<b>1,925</b>	<b>7,641</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2023 are represented by:

	Unrestricted	Pension Restricted	General Restricted	Fixed Assets Restricted	Total
	Funds	Funds	Funds	Funds	
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	6,626	6,626
Current assets	121	-	2,124	871	3,116
Current liabilities	-	-	(776)	-	(776)
Pension scheme liability	-	-	-	-	-
	<u>121</u>	<u>-</u>	<u>1,348</u>	<u>7,497</u>	<u>8,966</u>

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

Fund balances at 31 August 2022 are represented by:

	Unrestricted	Pension Restricted	General Restricted	Fixed Assets Restricted	Total
	Funds	Funds	Funds	Funds	
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	7,018	7,018
Current assets	85	-	1,586	(81)	1,590
Current liabilities	-	-	(660)	-	(660)
Pension scheme liability	-	(307)	-	-	(307)
	<u>85</u>	<u>(307)</u>	<u>926</u>	<u>6,937</u>	<u>7,641</u>

## 17 CAPITAL COMMITMENTS

	2022 £'000	2022 £'000
Contracted for, but not provided in the financial statements	<u>68</u>	<u>9</u>
Authorised by trustees, but not yet contracted	<u>871</u>	<u>4,340</u>

The Academy Trust had ongoing repairs due to a water leak in year. The contracted commitment relates to outstanding replacement assets damaged in the leak and ordered prior to the end of the year.

The Academy Trust also received T-Level specialist equipment funding during the year. The authorised commitment relates to the remaining amount unspent at year end.

## 18 COMMITMENTS UNDER OPERATING LEASES

*Operating leases*

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases which expire:

	2023 £'000	2022 £'000
• Within one year	17	18
• Between two to five years	13	37
• After five years	-	-
	<u>30</u>	<u>55</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 19 RECONCILIATION OF NET INCOME/(DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£'000	£'000
Net income/(deficit) for the reporting period (as per the SOFA)	736	(32)
Adjusted for:		
Depreciation (note 12)	259	316
Loss on disposal of fixed assets	342	-
Capital grants from DfE and other capital income	(1,130)	(166)
Interest receivable	-	-
Defined benefit pension scheme cost less contributions payable (note 26)	268	295
Defined benefit pension scheme finance cost (note 26)	14	35
Decrease/(increase) in debtors	185	(138)
Increase/(decrease) in creditors	116	(11)
<b>Net cash provided by operating activities</b>	<b>790</b>	<b>299</b>

## 20 CASH FLOWS FROM INVESTING ACTIVITIES

	2023	2022
	£'000	£'000
Interest received	-	-
Purchase of tangible fixed assets	(209)	(462)
Capital grants from DfE/ESFA	1,130	166
Capital grant funding received from sponsors and others	-	-
<b>Net cash provided by/(used in) investing activities</b>	<b>921</b>	<b>(296)</b>

## 21 CASH FLOWS FROM FINANCING ACTIVITIES

	2023	2022
	£'000	£'000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
<b>Net cash (used in)/provided by financing activities</b>	<b>-</b>	<b>-</b>

## 22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug 2023	At 31 Aug 2022
	£'000	£'000
Cash in hand and at bank	2,964	1,253
<b>Total cash and cash equivalents</b>	<b>2,964</b>	<b>1,253</b>

## 23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022	Cash Flows	At 31 Aug 2023
	£'000	£'000	£'000
Cash at bank	1,253	1,711	2,964
Overdraft	-	-	-
	<b>1,253</b>	<b>1,711</b>	<b>2,964</b>
Loans within one year	-	-	-
Loans within more than one year	-	-	-
	<b>1,253</b>	<b>1,711</b>	<b>2,964</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****24 CONTINGENT LIABILITIES****Disposal of government funded assets**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education 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 serving notice, the academy shall repay to the Secretary of State sums determined by reference to :

- a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy: and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

**Harpur v Brazel**

As a result of the Harpur Trust v Brazel (2011) case, the Supreme Court has ruled that employees who only work for part of the year are entitled to the same holiday pay of 5.6 weeks a year as employees who work full time. This will potentially impact any employer with term time employees, zero hours employees or other working arrangements which involve employees being employed for a full year, but working only for part of that year.

The government hopes to amend legislation to allow holiday entitlement to be pro-rated for part-year and irregular hours workers, so that annual leave is directly proportionate to the time they spend working.

Pending any law change being approved by parliament, there remains a potential obligation for the Trust of uncertain timing, value and likelihood.

**25 MEMBERS' LIABILITY**

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

**26 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 West Midlands Pension Scheme. Both are defined benefit schemes.

The total pension cost to the Academy during the year ended 31 August 2023 was £892,000 (2022: £894,000) of which £457,000 (2022: £415,000) relates to the TPS and £435,000 (2022: £479,000) relates to LGPS.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' Pension Scheme****Introduction**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

**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
- 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 2024.

The employers costs paid to TPS in the year amounted to £457,000 (2022: £415,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 August 2023 was £201,000 (2022: £193,000) of which employers contributions totalled £153,000 (2022: £149,000) and employees contributions totalled £48,000 (2022: £44,000). The agreed contributions for future years are on average 19.4% (2022: 19.4%) for employers and 6.5% (2022: 6.5%) for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

## Local Government Pension Scheme (cont'd)

## Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	2023	2022
	% per annum	% per annum
Discount rate	5.20%	4.25%
Salary increases	3.95%	4.05%
Pension increase	2.95%	3.05%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	2023	2022
	Approx £'000	Approx £'000
Discount rate reduced by 0.1% per annum	46	59
Assumed pension increased by 0.1% per annum	46	83
Salary growth increased by 1.0% per annum	1	4
Life expectancy at retirement increased by 1 year	66	83

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

	2023	2022
	years	years
Longevity at age 65 retiring today		
- Men	18.5	21.2
- Women	23.6	23.6
Longevity at age 65 retiring in 20 years		
- Men	21.0	22.9
- Women	24.8	25.4

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

	Fair value at 31 August 2023 £'000	Fair value at 31 August 2022 £'000
Equity instruments	1,278	1,185
Debt instruments	395	371
Property	132	142
Cash	75	71
<b>Total market value of assets</b>	<b>1,880</b>	<b>1,769</b>
<b>Present value of scheme liabilities</b>		
- Funded	(1,880)	(1,769)
- Unfunded	-	(307)
<b>Total liabilities</b>	<b>(1,880)</b>	<b>(2,076)</b>
<b>Deficit in the scheme</b>	<b>-</b>	<b>(307)</b>

The actual return on the scheme assets in the year was a deficit of £21,000 (2022: £53,000 deficit).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

## 26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

## Amounts recognised in the Statement of Financial Activities

	2023	2022
	£'000	£'000
Current service cost	421	444
Interest income	(79)	(29)
Interest cost	93	64
<b>Total amount recognised in SoFA</b>	<b>435</b>	<b>479</b>

	2023	2022
	£'000	£'000
<b>Changes in deficit during the period</b>		
<b>Balance at 1 September 2022</b>	<b>307</b>	<b>1,902</b>
Movement in year:		
- Employer service cost (net of employee contributions)	421	444
- Employer contributions	(153)	(149)
- Expected return on scheme assets	(79)	(29)
- Interest cost	93	64
- Actuarial gains	(589)	(1,925)
<b>Deficit in the scheme at 31 August 2023</b>	<b>-</b>	<b>307</b>

## Changes in the present value of defined benefit obligations were as follows:

	2023	2022
	£'000	£'000
<b>Balance at 1 September 2022</b>	<b>2,076</b>	<b>3,541</b>
Current service cost	421	444
Interest cost	93	64
Contributions by scheme participants	48	44
Benefits paid	(19)	(10)
Actuarial gains	(739)	(2,007)
<b>Scheme liabilities at 31 August 2023</b>	<b>1,880</b>	<b>2,076</b>

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

	2023	2022
	£'000	£'000
<b>Balance at 1 September 2022</b>	<b>1,769</b>	<b>1,639</b>
Expected return on scheme assets	79	29
Actuarial losses	(150)	(82)
Contributions by employer	153	149
Benefits paid	(19)	(10)
Administration expenses	-	-
Contributions by scheme participants	48	44
<b>Fair value of scheme assets at 31 August 2023</b>	<b>1,880</b>	<b>1,769</b>

The estimated value of employer contributions for the year ended 31 August 2024 is £165,000 (2023: £149,000).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****27 RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted in accordance requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the period of account:

The academy paid Aston University for the services supplied with no profit element to the University as follows:

HR and payroll services £11,705 (2022: £11,750);

Hire of sports facilities £50,992 (2022: £43,014);

Hire of car park spaces £13,750 (2022: £16,500); and

The academy Principal was partially seconded to the University, with income for 2022/23 totalling £8,006 (2022: £41,619)

The amounts outstanding to Aston University at 31 August 2023 are £Nil (31 August 2022: £18,807).

Mr D Locke-Wheaton is a director of Titan Partnership Limited. The academy paid Titan Partnership £6,810 for educational services in 2022/23 (2022: £7,497) and £Nil was outstanding at 31 August 2023 (31 August 2022: £Nil).

Mr P Hazzard is an employee of Cundall Johnston & Partners LLP. The academy paid Cundall Johnston & Partners LLP £11,760 for construction consultancy services in 2022/23 (2022: £70,129) and £Nil was outstanding at 31 August 2023 (31 August 2022: £Nil). Credit Notes were received in year in relation to both the current and prior year of £19,001 (31 August 2022: £Nil).

Mrs A Kaye is a Trustee of Birmingham Association of School Business Leadership (BASBM). The academy paid BASBM £100 (2022: £100) for membership fees in 2022/23 and £Nil was outstanding at 31 August 2023 (31 August 2022: £50). The academy also received income of £Nil (2021: £150), of which £Nil (2022: £Nil) was outstanding at the 31 August 2023.

Mr R Toy is a Director of Auctus Infra Skills Limited (Auctus). The academy paid Auctus £7,300 for rail training services in 2022/23 (2022: £7,300) and £Nil was outstanding at 31 August 2023 (31 August 2022: £Nil).

Mr J Wade is a Trustee of Baker Dearing Educational Trust (Baker Dearing). The academy paid Baker Dearing £10,500 (2022: £10,200) for a UTC subscription in 2022/23 and £Nil was outstanding at 31 August 2023 (31 August 2022: £Nil).

**28 AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary and T-Level bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2023 the trust received £138,519 (2022: £80,013) and disbursed £89,207 (2022: £82,485) from the fund. An amount of £52,617 (2022: £3,305) is included in other creditors relating to the undistributed funds that is repayable to the ESFA.

The academy trust distributes funds for the Developing Provision Locally Project as an agent for Birmingham City Council. In the accounting period ending 31 August 2023, the trust received £282,360 (2022: £336,470) and disbursed £197,613 (2022: £269,355) from the fund. An amount of £151,862 (2022: £67,115) is included in other creditors relating to the undistributed funds that is to be distributed in 2023/24.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)****29 EVENTS AFTER THE END OF THE REPORTING PERIOD**

Aston University is currently developing an application for a new Aston University Multi Academy Trust (AUMAT). This is in response to the Government's white paper and requirement for UTCs to join a Multi Academy Trust and with an ambition to enhance and strengthen the educational offer in Birmingham, especially in the immediate area of Aston and Nechells. It is anticipated that AUEA would transfer into the new MAT by September 2024.

The vision of the trust is to provide through the impact of the trust schools and specialist colleges, and in collaboration with employers and the University, an unrelenting focus on high-quality teaching and learning via a digital enabled curriculum to enable exceptional progression and futures for the young people of inner city Birmingham and the West Midlands. Underpinned by strong cohesion and belonging, safety and welfare and an unyielding focus on releasing each student's aspirations and potential, learners will be supported to overcome significant challenges enabling social mobility and consequently changing not only their lives but the communities around them.