

Amended

SCHOLARS' EDUCATION TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022



SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Nick Daymond James Brass Alan Read Sanjaveen Bala (appointed 6 December 2021) Mahnaz Smith (appointed 1 September 2022)
Trustees	Martin Sidders, Chair Susan Archer (resigned 8 November 2021) Sanjeevan Bala (term of office ended 5 December 2021) Catherine Baxendale (resigned 31 August 2022) Andy Cunningham Geoffrey Payne Bill Rammell Claire Robins Nick Spittal (term of office ended 5 December 2021) Paul Burrett Sean Hegarty Joel Bellman (appointed 24 February 2022) Victoria Garvin (appointed 24 March 2022)
Company registered number	07697132
Company name	Scholars' Education Trust
Principal and registered office	Sir John Lawes School Manland Way Harpenden Hertfordshire AL5 4QP
Company secretary	Hazel Wale
Chief executive officer	Claire Robins
Senior management team	Claire Robins, CEO Matt Gauthier, Deputy CEO Hazel Wale, COO
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Bankers Lloyds Bank PLC (SJL)
 Harpenden
 AL5 2TA

Lloyds Bank PLC (SRA)
1 Legg Street
Chelmsford
CMI IJS

Solicitors Winckworth Sherwood
 Minerva House
 9 Montague Close
 London
 SE1 98B

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

SCHOLARS' EDUCATION TRUST — HIGHLIGHTS FOR 2021-2022

I am pleased to be able to reflect on another positive year for the Scholars' Education Trust. Last year's report ended with the hope that the school year 2021-22 would allow us to bring our students together once more, after the disruption of the pandemic, and I am delighted to say that has been the case. In March, pupils from all the Trust schools took to the stage of the Gordon Craig Theatre in Stevenage and produced a Trust Concert that surpassed our expectations. Singers, dancers and musicians from year 4 to 6th form, entertained a capacity audience with pieces that they had worked hard to prepare with their teachers. It was particularly special to bring the schools' choirs and orchestras together for joint items and they were also joined by the SET staff choir. It was such a joy to have this event back in our calendar and we are already preparing for next year's concert at the Alban Arena.

In addition to the Trust Concert, this year also saw the first SET Sustainability Conference, held at Rothamsted Research Centre in Harpenden. Once again, both primary and secondary pupils came together to focus on issues that are important to us all and particularly to our young people. After a key note from Dr Amy Munro-Faure of Cambridge University, they took part in a variety of workshops led by external providers such as Oxfam and Sustainable Hertfordshire as well as pupils from some of our SET schools. Sustainability remains one of our Trust priorities for the coming year and this conference certainly highlighted the value of focusing on this area. We look forward to the next conference planned for June 2023.

March 2022 also saw the return of our Careers Fair. Hosted by Sir John Lawes, SET pupils from year 11 and the 6th form were able to spend time meeting with exhibitors from over 60 organisations representing local, national and international employers. This is one of the highlights of our SET careers offer so it was fantastic to be able to offer these opportunities to our pupils once again.

As well as opportunities for our pupils to come together, this year has also seen opportunities for our staff to collaborate. Our three working groups - wellbeing, digital strategy and sustainability – have brought staff together from all schools and we have been pleased to see the impact of their work across the Trust. The sustainability group prepared case studies and sustainability reviews for each school and worked together to share good practice which has resulted in both Samuel Ryder and Priory Academies achieving Green Flag status this year to join Sir John Lawes. The wellbeing group led a week focusing on staff wellbeing in June and all SET schools are now signed up to the Staff Wellbeing Charter.

Our digital strategy group has worked hard to ensure we are maximising the impact of our iPads across the Trust; a highlight was a visit to Apple Headquarters in London to work on our plans. With Sir John Lawes launching their iPad roll-out from September 2022, all of our secondary sections have now fully embraced the opportunities which one-to-one access to these devices can open up for students and the ability to share good practice between schools has really enabled us to make impressive strides in this area. We look forward to developing our expertise still further in what is a key aspect of the SET educational offer.

Another key occasion for our staff to join together comes at our annual conference, which this year was also on the theme of sustainability. The day started with a keynote presentation from members of our sustainability group, and then departments shared how they address these issues in their schools. They then had time to work together with a subject specific focus – with some departments using the opportunity to bring in external speakers or carry out moderation and joint planning.

Of course, this joint work is intended to ensure that we are offering SET pupils the very highest quality of education every day in their lessons, by staff sharing good practice and maximising expertise. That was particularly important this year with the return of public examinations after two years of assessed grades. We are pleased to say that across the Trust we saw excellent results at KS1, 2, GCSE and A level. All our schools showed improvements on their 2019 results (the last year of externally assessed results) and our destinations data for year 11 and 13 students is very strong. There were many individual success stories behind the head line figures but perhaps one worth mentioning is that a Sir John Lawes Year 11 student achieved the highest mark in the country for their GCSE Biology!

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The high standards of education being offered at SET schools was endorsed by Ofsted's visit to Samuel Ryder Academy in June when they judged the school to be Good overall, with outstanding judgements for Personal Development, Leadership and Management and 6th Form. We were delighted with the positive nature of the report which reflects the hard work of all the staff and pupils.

School improvement work remains a priority for the Trust with our first Leaders of Education in English, Science and Computing being appointed this year to start working with schools from September 2022. Their arrival strengthens our existing school improvement offer still further and we are planning to increase the size of their team over the coming months. Our Peer Reviews are a key part of this offer and this year we have recruited external consultants to provide an extra layer of moderation to that process.

This year saw changes in leadership at two of our SET schools with Mahnaz Smith retiring from Priory Academy and Claire Robins stepping down as executive head of Sir John Lawes to move to a full time CEO role at the Trust. We were delighted that, against very competitive fields, two SET deputies were appointed as their replacements, with Ian Bailey from SRA taking over at Priory and Phil Newbery moving from head of school to head at SJL. In addition to these successes, Vikki Johnston, deputy head of Harpenden Academy, also secured the founding headship of Buntingford First School which the Trust will be opening in September 2023 (after the project was delayed by one year owing to planning issues). These appointments demonstrate the strength of talent within the Trust and show how we are able to 'grow our own' leaders at all levels.

Finally, we have maintained our focus on ensuring high quality governance at the Trust. This year we have run training on Holding the Senior Leadership to Account, SEND issues, Ofsted preparation, complaints and an information session on new technologies – how iPads enhance the learning experience of Trust students. We were also able to meet face to face once more for our Governance Away Day in April when trustees and governors came together to reflect on our Trust priorities and to received updates on the current educational landscape.

So all in all, a great deal has been achieved in the last year across the Scholars' Education Trust. Over the next year, at least three of our schools move into the Ofsted window so our focus will be ensuring that they achieve good or better if visited, whilst also working to ensure that standards are maintained and improved on at all our schools. We are also expecting to grow in size over the next 12 months and so our other focus will be on ensuring that any growth is managed effectively so that new schools quickly see the benefit of Trust membership and existing schools continue to receive the high standards of support to which they have become accustomed.

Claire Robins, OBE
CEO Scholars' Education Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The Scholars' Education Trust (SET) is a cross phase, multi-academy Trust, formed in 2012, currently consisting of Sir John Lawes School, Samuel Ryder Academy, Robert Barclay Academy, Harpenden Academy, Priory Academy and Buntingford First School. Scholars' Education Trust was awarded the sponsorship of Buntingford First School, a free school, in 2021; it is currently under construction, due for completion in summer 2023. It will be Hertfordshire County Council's first zero carbon school. The Trust prides itself on its collaborative approach to improving school performance, with each school within the Trust being encouraged to contribute fully to our shared development. At the heart of everything we do is the desire to enable the children in our schools to achieve more than they might ever have believed possible.

SET is led by an experienced executive team who have been working together since the Trust's establishment. The CEO, Claire Robins, Deputy CEO, Matt Gauthier, and COO, Hazel Wale, have a shared vision and commitment to enabling all schools to deliver the best possible outcomes for the children in their care. Claire and Matt have over 25 years of headship experience between them and Hazel is a highly experienced and long serving school business/operations manager, giving them a clear understanding of the leadership qualities required for success. The Trust's aim is to enable our Headteachers to achieve the highest standards of teaching and learning for all pupils, by providing them with the infrastructure and support they need to achieve their goals.

Among the key ways in which the Trust supports our schools is our highly effective school improvement & support programme, with a suite of shared services. Key features of the school improvement support programme include Trust Strategy days with timetabled individual meetings with our schools' Heads to discuss specific issues, Head teacher Innovation days where all Heads meet to look at aspects of our work and fortnightly Trust heads' meetings with members of the executive team. SET leaders of education in English, Science and IT have been appointed to support schools with their development and enhance the offering in these subjects and beyond. Schools take part in the Trust Peer Review programme and a CPD offer is available for both teaching and non-teaching staff with an annual Trust Conference bringing staff from all schools together. Working parties with representatives from all Trust schools annually focus on areas such as teaching and learning and data and curriculum; with groups also linked to the Trust's current foci of digital technologies, sustainability and wellbeing. The support programme also extends to safeguarding across the Trust, with an annual safeguarding audit forming part of the Peer Review and safeguarding staff across the Trust meeting regularly to share good practice and identify any Trust wide issues.

The SET shared operational services are well established with a structure based around the "ask the expert model" with a COO, CFO, information lead, attendance improvement officer, estates lead, HR team, Director of IT with on-site technical support, payroll provision and PR & marketing expertise. This model has continued to prove to be most effective and efficient and is also in line with the demands of a growing Trust. The central team has built on the lessons learned during the pandemic with improved online services and systems that are available and embedded across the Trust, and which have improved effectiveness in a whole host of areas. The hub team continue to seek efficiencies for all schools and as a result free up much needed investment for teaching and learning. The annual SCA grant for capital projects is prioritised by a formalised system, which ranks health & safety, compliance, teaching & learning need, facilities condition and whole school/Trust impact. The projects are overseen by the estates lead to ensure a robust procurement process that offers value for money, high standard of installation, quality of delivery with minimum disruption to the schools. The COO and her team have continued to work closely with the Headteachers to further identify ways the central hub team can support schools, staff and students; for the academic year 2022/23 a centralised data management service will be offered to schools.

Our staff are central to the success of the Trust. In each of our schools we have outstanding staff, who share their experience and expertise to provide specific teaching and learning support at both primary and secondary level. A team of senior teaching and learning leads work together across the Trust to promote collaborative training at all levels. Bespoke training is provided for staff across the Trust with assistance from a bespoke data system to ease the collation of training needs identified in schools and across the Trust. The Get SET for headship development programme and the annual whole Trust INSET day have been particular successes. This year the Trust has seen three existing senior leaders secure their first headships, within the Trust, and other

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leaders within schools secure Deputy Head or Assistant Head roles across the Trust. The Trust also benefits from Sir John Lawes School's representation on the board of the Alban Teaching School Hub, and as a lead school in delivering the Chartered College of Teaching's Chartered Teacher programme. All Trust schools also follow a policy of financially supporting any Masters' level study that staff wish to undertake. This school year Samuel Ryder Academy maintained its Good OFSTED rating and achieved Outstanding gradings in Leadership and Management, Personal Development and Sixth Form.

Working with the executive team and overseeing Trust performance is a highly experienced Trust Board. SET is fortunate to have a team of trustees who have worked at senior levels in a wide range of sectors, with new Trustees this year bringing expertise in IT, governance and finance to complement the existing expertise in finance, HR, legal, property, education and the charities sector. A number of the trustees have previously served as members of Local Governing Bodies within the Trust. They have a strong commitment to all the schools in the Trust and work closely with each of the Local Governing Bodies. The Chair of the Trust meets regularly with the Chairs of the LGBs. The Trust strongly believes in the importance of Local Governing Bodies in schools. The strong relationship between School Headteachers and Governing Bodies is key to continuing educational success and supporting students to achieve their potential.

The Scholars' Education Trust is committed to improving the education opportunities of all our students and we very much welcome like-minded schools and individuals to join us.

The trustees who are also directors of the academy Trust for the purposes of the Companies Act 2006, present their annual report together with the financial statements and auditor's report of the academy Trust for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The Trust operates one primary, one all through, one extended secondary, two secondary academies with sixth forms, all within Hertfordshire and Central Bedfordshire. In addition, there is one free school currently under construction. Its academies have combined pupil capacity of 4643 and had a roll of 4589 in the school census in October 2022; made up of a consistently oversubscribed secondary, all through and extended secondary school for intake years and a continuing growing roll in the other two academies; with a planned growth programme of student numbers in those academies

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

b. 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.

c. Trustees' indemnities

In accordance with normal practice the academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions whilst on academy Trust business, the cover under the policy for each academy is £5 million under any one claim. In the period under review no claims were made.

d. Method of recruitment and appointment or election of Trustees

Trustees - the members may appoint up to 10 Trustees by ordinary resolution.

Providing the Chief Executive Officer agrees so to act the members may by ordinary resolution appoint the Chief Executive Officer as a trustee.

The trustees may appoint co-opted trustees. Employees can be appointed as co-opted trustees as long as employees do not exceed a third of the total number of trustees.

e. Policies adopted for the induction and training of Trustees

New trustees and governors are supported by the company secretary as part of their induction and provided with an induction pack of information bespoke to SET. They are also invited to visit the SET schools and meet the leadership teams. It is expected that all trustees/governors undertake training as appropriate to their role on the Trust board or local governing body which includes annual updated safeguarding training. New trustees/governors are recommended to undertake the local authority induction training for trustees/governors and this is supplemented by a published governor training programme organised by the Trust which offers sessions by external and "in house" providers throughout the school year. Sessions planned for this year include OFSTED & what to expect, exclusions and finance.

Each local governing body is responsible for overseeing its academy's overall management and control with a particular focus on Teaching and Learning. The trustees meet as the Trust board six times a year; with MAT committees for educational standards, finance & audit, remuneration, due diligence and admissions also meeting regularly.

The work of reviewing and monitoring the academy Trust's policies is shared across the Trust with senior leaders and local governors within each school passing comments/recommendations to the Trust Board for final consideration and approval. The terms of reference for the Trust committees and local governing bodies are agreed annually at the first committee meeting of the year. The clerks to the local governing body of Sir John Lawes School, Harpenden Academy, Samuel Ryder Academy, Robert Barclay Academy and Priory Academy are responsible for coordinating the work of their governors, preparation of agendas, supporting papers and the review of any matters arising. The governance professional is responsible for coordinating the work of the Trust Board and its committees, preparation of agendas, supporting papers and the review of any matters arising. The COO oversees the preparation of the Accounts. The Accounting Officer is responsible for the accounts.

All trustees/governors give of their time freely and no remuneration or expenses relating to their activities as trustees/governors were paid in the period. Details of the remuneration to the staff trustee is set out in note 10.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

f. Organisational structure

The trustees of the Scholars' Education Trust constitute the Trust Board, which determines the shared policies across the academy Trust. Trust Board members are appointed on the basis of their skills and experience. Trustees conduct an annual skills audit to assess whether the Board has the necessary skills to oversee the activities of the Trust. Trust Board committee members are drawn from the Trust Board and schools' governing bodies. Each constituent academy is governed by a local governing body (effectively the board of governors). The local governing bodies determine the policy of their academies, within the overarching policy structure set out by the Trust strategic board.

The executive team provides experienced and able leadership across the Trust; meeting with the headteachers, on at least a fortnightly basis.

The day to day running and key drivers of educational achievement in each academy are delegated by the local governing bodies to the headteachers, who are each supported by a senior leadership team. The headteachers undertake the key leadership roles within their own academies of overseeing educational, pastoral, human resources and administrative functions in consultation with senior staff. The day-to-day administration of each academy is undertaken within the Trust policies and procedures, approved by the local governing body which provide for significant expenditure decisions to be referred to the Trust Board for prior approval.

The headteachers oversee their school's/academy's recruitment of all staff supported by a central HR administrative team. The headteachers are members of their local governing body. The SET deputy CEO and COO are invited to attend all Trust board meetings, Trust committee meetings and are invited to local governing body meetings as and when appropriate.

Responsibilities delegated to senior staff are published annually and distributed to trustees and members of local governing bodies. All members of the senior leadership teams can be invited to their own academy's local governing body meetings by the Chair as and when appropriate.

g. Arrangements for setting pay and remuneration of key management personnel

The trustee's remuneration committee considers and sets the pay grade and salaries for the chief executive officer, deputy chief executive officer, chief operations officer and the chief financial officer for the Trust. Reporting the outcomes to the Trust Board. The CEO oversees the performance management of the executive team. The CEO's performance management is overseen by the chair of the Trust.

TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

h. Related parties and other connected charities, organisations and relationships

The CEO, Claire Robins, was awarded an OBE in the Queen's Birthday honours list (2018) and is a Fellow of the Chartered College of Teaching. She was head of Sir John Lawes School in Harpenden from 2006 to 2022, during which time she was also a National Leader of Education and a member of the Regional Schools Commissioner's Advisory Board. In all these roles, she carried out school improvement work for the Department for Education, working with schools in challenging circumstances, particularly during and after the Covid pandemic.

Claire is a director of the Harpenden Secondary Schools Trust which was formed in 2010 when Sir John Lawes, Roundwood Park and St George's Schools, Rothamstead Research Institute and the University of Hertfordshire joined together with the aim of raising the standards of education for the young people of Harpenden by sharing facilities, providing additional opportunities for students, combining expertise and sharing ideas about school improvement. Claire is also a Member of the Harpenden Secondary Education Trust, formed to establish the Katherine Warrington School, having previously served as a governor.

Claire is a trustee of the Atlas Multi Academy Trust and the Kemnal Academies Trust, a director of the Alban Teaching School Alliance and an Honorary Fellow of Worcester College, Oxford.

The Deputy CEO Matt Gauthier, is also Headteacher at Samuel Ryder Academy and was awarded a Headteacher of the Year award in the Pearson's' Annual Teaching Awards in 2020. Samuel Ryder was awarded Distinguished Apple School status in 2019, and has just been accredited, being one of only 689 such accreditations globally over 36 countries. It is also designated as the Apple Regional Training Centre for Hertfordshire, providing training for educational professionals across the area in the use of new technologies in teaching and learning. Samuel Ryder Academy is within the Alban Learning Partners consortium with St Albans Girls School, Loreto College, The Marlborough Science Academy, Nicholas Breakspear Catholic School and Townsend Church of England School, to provide high quality post-16 education and extend the options available to students within this age group.

Matt Gauthier is a Trustee at the Links Multi Academy Trust, providing strategic direction, and is a member of their Trust Board and chair of the Audit and Resources committee. Matt is also a member of the Hertfordshire Schools' forum a statutory body whose purpose is to advise on matters relating to the funding of schools within Hertfordshire.

Sir John Lawes School and Samuel Ryder Academy are both part of the Alban Training School Alliance offering teacher training/development opportunities. Robert Barclay Academy is part of the Goff's Training School Alliance offering teacher training and development opportunities.

Lisa Davies, Headteacher at Harpenden Academy, is a member of the Primary Harpenden Heads' association.

Ced de la Croix, Headteacher at Robert Barclay Academy, is a current member of the DSPL (Developing Special Provision Locally) 4 Management Committee, an area group which brings together different organisations to review and develop the range of special provision and support services available to young people in the local community.

Mahnaz Smith, Headteacher of Priory Academy, who retired in August 2022, was one of the founder members of the Priory Partnership for Learning' which consists of Icknield, Studham and Watling Lower Schools, all outstanding and good schools based in the Dunstable area. The partnership provides a solid educational pathway whilst sustaining and maintaining high standards of education through the sharing of good practice and policies. Ian Bailey was appointed as her successor and took over the role as Headteacher from September 2022.

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Structure, governance and management (continued)

Vikki Johnston will be the new Headteacher at Buntingford First School. This is an innovative, net carbon zero school and will be the first of its kind in Hertfordshire. Whilst the build is being completed, Vikki has been supporting school improvement within the Trust and is now seconded as Interim Headteacher to work with a school within the Local Authority that requires rapid improvement. Here she is also a member of the Dacorum Heads' Consortium.

The Chief Operations Officer, Hazel Wale, is a Fellow of the Institute of School Business Leaders and has been a qualified and accredited SRMA consultant.

i. Engagement with employees (including disabled persons)

The Trust Equality policy states we observe good practices in staff recruitment, retention and development by ensuring that policies and procedures benefit all employees and potential employees:

- whether or not they are disabled
- whatever their ethnicity, culture, religious affiliation, national origin or national status.
- whatever their gender and sexual identity, and with full respect for legal rights relating to pregnancy and maternity.

The Trust regularly consults with its staff on the trust's working practices and staff wellbeing.

Objectives and activities

a. Objects and aims

Scholars' Education Trust's object is to provide education for the public benefit in the United Kingdom.

The shared values of the academy trust are summed up in the ACE: Achievement, Care and Excellence. The ACE underpins everything that each academy does and provides a secure basis for all each academy strives to accomplish:

- Achievement in academic, artistic, sporting, cultural and other areas with a focus on teaching and learning;
- Care for students, staff and others beyond the academy Trust community.
- Excellent standards, manners, honesty, personal integrity and uniform.

The Trust's objective is to produce responsible young people of whom all can be proud, who have achieved more than they ever believed possible and who are prepared to contribute to their local, national and global opportunities.

The academy Trust's main strategies for Buntingford First School, Harpenden Academy, Priory Academy, Robert Barclay Academy, Samuel Ryder Academy and Sir John Lawes School are outlined in the annual development plans.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

b. Objectives, strategies and activities

The aims of the Trust are to:

- Work in genuine partnership to strengthen schools and their communities.
- Foster a culture of positive challenge and continual school improvement.
- Provide a common sense of purpose with a focus on outstanding teaching and learning.
- Offer an excellent educational experience so that every student fulfils their potential.
- Encourage a rich, dynamic and purposeful range of learning opportunities for all students.
- Develop life-enhancing values so that students leave school prepared for the ever-changing world

The specific objectives are to:

- Foster school communities where staff, students and parents are committed to our educational vision;
- Develop collaborative working practices to provide economies of scale and shared use of resources which benefit all;
- Support each school to recruit and develop staff of the highest quality;
- Develop strong governance arrangements which both challenge and support school leadership;
- Generate effective collaboration between directors, governors and key stakeholders to prepare our students for the workplace and life-long learning;
- Develop robust and sustainable financial management systems;
- Adopt systematic and effective strategic planning processes which generate aspirational targets;
- Establish strong data management systems to facilitate the monitoring of challenging targets;
- Embed a life-long learning ethos in our extended communities;
- Regularly review curriculum provision to promote engagement and achievement through creative, personalised provision for all students.

c. Public benefit

Scholars' Education Trust is a charitable company which seeks to benefit the public through the pursuit of its stated aims.

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Scholar's Education Trust admits pupils from Hertfordshire, Central Bedfordshire and neighbouring counties. There are specific admission criteria for each of the academies where more applications are received than there are places available these are applied and consider children with EHCPs, Children looked after, Medical or social needs, Siblings, Children of staff, nearest school and distance. All criteria are listed within each of the academies' admissions policies which are available on the Trust and/or academies' websites. All academies within the Trust provide places for pupils with special educational needs

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Strategic report

Achievements and performance

A key difference in this year's performance as compared to the last two years' is that pupils sat public examinations once more after two years of Teacher and Centre Assessed grades. As such, these results are not directly comparable to previous sets, and even a comparison with 2019 is not as helpful as it might be given the disruption to their education which these students have experienced. Nevertheless, even though we await national performance tables to help us see where SET schools sit against the rest of the country, there is still plenty to be pleased about in these results.

KS2 results at Harpenden Academy, Priory Academy and Samuel Ryder Academy were all strong against national averages in all three areas and we were particularly pleased to see that a focus on writing had paid dividends for Priory Academy, as this area had previously been identified as requiring improvement.

At KS4, we saw positive results at all our schools and it is especially encouraging that Robert Barclay Academy has seen an improvement in their Progress 8 score bringing them to in line with the national average. Our other schools were at or above national average, with SJL achieving a P8 of 0.7, which is well above average. The return to public exams has highlighted some gaps in performance between different groups and there is still work to be done to close the gap between boys and girls, and disadvantaged and non-disadvantaged students across the Trust. But even within our 4 secondary sections, there is good work going on in all these areas which we will be focusing on sharing over the coming year. It is also clear that where pupils have had lower attendance, a hangover from covid, this has impacted on attainment and progress and so improving attendance will continue to be a focus for schools and the central attendance support team.

At KS5, we were again able to celebrate success in our schools with a high rate of individual students achieving the qualifications required for them to move on to their chosen destinations. This was good news because these students were the ones worst affected by covid, in that they had not sat any public exams until this point. For the year ahead, the educational priorities of the Trust will be to ensure that:

- All Trust schools achieve exam results in line with or above national average
- All pupils make excellent progress no matter what their starting points
- The progress gap is reduced between disadvantaged and non-disadvantaged pupils
- All students can demonstrate strong added value in post-16 education.

All SET schools are now due for re inspection, with the exception of Samuel Ryder Academy who OFSTED visited in June 2022 and Harpenden Academy who were inspected in 2019. Samuel Ryder Academy achieved OFSTED good, with three areas graded as outstanding – leadership and management, sixth form and personal development; this report is a particularly glowing report and a pleasure to read and one that the school and Trust are proud of.

Sir John Lawes School is OFSTED graded Outstanding; both Sir John Lawes and Samuel Ryder Academy gradings are supported by the internal and external monitoring carried out during the year. Harpenden Academy and Robert Barclay had OFSTED in inspections in June 2019, gaining Good and Requires Improvement respectively — both gradings evidence a huge improvement in the schools since joining the Trust. It is expected that on the re visit OFSTED inspection for Robert Barclay Academy it will be graded as Good. Priory Academy are OFSTED graded Good; monitoring via the Trust peer review supports that grading. Academy improvement plans are in place for all of the schools within the Trust and are monitored at all levels. All schools have carried out training on the new Ofsted EIF and continue to prepare for inspection when it comes.

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Strategic report (continued)

Achievements and performance (continued)

a. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy Trust has adequate resources to continue in operational existence for the foreseeable future.

For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Section 172 statement

The Board of Trustees are aware of their duty under s. 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster the Company's business relationships with suppliers, customers and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of teaching & learning and business conduct.
- The need to act fairly as between members of the Company.

The Trust considers stakeholders in the following ways:

Parents	<p>View of parents are important to the schools and the Trust. The outcome of parental surveys is shared with the local governing body and Trust Board, with views shared informing local and trust decision making.</p> <p>Parents are informed of issues, events and progress within their schools through regular newsletters, social media and a whole host of other communication. It is a requirement that there are no less than two parent governors on each local governing body, elected by the parents. This is set out in the SET scheme of delegation and the Terms of Reference for the local governing body.</p> <p>Trustees survey parents three times a year and the results of these surveys are analysed by Headteachers, the Executive and the Education Standards committee.</p>
Pupils/students	<p>All schools have a pupil/student cabinet/group which allows the voice of students to be heard and considered on many issues within their schools. In addition, there are many other forums at subject, year group or whole school level whereby school leaders and staff can develop systems that supports the academic, personal development and welfare of the pupils/students in our schools.</p> <p>The LGB governors and Trustees are able to monitor pupil/student development through visits to the school(s) and through the leadership reports shared at LGB and Trust Board meetings.</p>

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Employees	<p>Enhancing employee development and wellbeing continues to be an integral part of the culture of the Trust. Senior leaders promote open communication with staff through weekly briefings/bulletins, calendared middle leader meetings, link meetings with designated leaders and whole staff meetings where employees are given updates on school/Trust developments and have the opportunity to have questions answered directly. All staff are surveyed termly on a range of issues and the outcomes are shared with leaders, LGBs and the Trust board to identify areas for improvement. The cross-Trust wellbeing group shares good practice across all schools and recent initiatives include a wellbeing week, bike to school schemes and signing up to the DfE Staff Wellbeing Charter.</p> <p>The trustees receive regular qualitative and quantitative updates on employee matters from the COO, who attends Trust Board meetings, including analysis received through the annual staff surveys, staff attendance, leavers and joiners and an annual update on the Performance Review and Performance Related Pay process. This provides the Board with oversight of the staff development and wellbeing, as staff are the key to the continued strength of the Trust.</p>
Suppliers	<p>The SET approach ensures that all supply and procurement processes are fair, transparent and in line with statutory provisions. This gives suppliers confidence in the SET processes.</p>
Regulators	<p>The Trust Board approach is that the Accounting Officer and designated staff retain direct operational responsibility for ensuring compliance and effective communication with the Trust regulators. The actions of the Accounting Officer and the designated staff are regularly monitored by the Board to monitor the effectiveness of the strategic and operational relationship.</p>

Financial review

Most of the Scholars' Education Trust's income is obtained from the DfE via the ESFA in the form of Its General Annual Grant (GAG) the use of which is restricted to particular purposes; i.e., the objects of the academy Trust. Each school receives its full GAG funding with a percentage allocated to support central services.

Expenditure for the period covered by this report was funded by the GAG received from the DfE, capital grants and other Income, such as voluntary income, income from educational operations and investment income.

The Trust may also receive grants from the ESFA (for example SCA funding) for the improvement of fixed assets in the form of capital grants, alongside grants from the local authority for school building expansion. New assets brought into the Trust and those attributable to existing fixed assets are capitalised at fair value or cost with an equivalent sum transferred to the restricted fixed asset fund. Fixed assets, other than freehold land, are depreciated over their expected useful lives and this charge is applied against the restricted fixed asset fund. Salary payments to teaching and support staff comprise the greatest recurring cost for each of our schools and for central services.

The Trust makes contributions as an employer to the Teachers' Pension Scheme (TPS), this is a contributory scheme and for other staff members the Trust contributes to the Hertfordshire and Bedfordshire local

SCHOLARS' EDUCATION TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

government pension schemes (LGPS). Under the LGPS the assets and liabilities are held within the scheme and apportioned to each employer, an annual valuation identifies the liability attributable to SET and triennially informs the employer contribution rate. All staff are auto enrolled into their respective pension schemes although membership is not compulsory.

At 31 August 2022 the Trust has recognised a total liability of £1.0m in respect of the LGPS schemes across the five academies and central (2021: £9.1m). Due to the current market volatility and global events, there has been a significant increase in bond yields over the year, which has led to a higher discount rate assumption and therefore a lower value being placed on the Schemes' liabilities. This has resulted in a significant reduction in the Trust's pension liability and the recognition of an actuarial gain of £9.6m (2021: actuarial loss £2.0m). Further details on the pension schemes can be found in note 28 to the Financial Statements.

Scholars' Education Trust is pleased to report that the Trust remains financially stable, managing its resources efficiently and effectively. Schools have reopened income generating activities, the impact of income lost during the pandemic and post pandemic period has been minimised by robust budget management throughout the period of uncertainty. The Trust also acknowledges that it needs to continue to explore all avenues of income generation in order, amongst other demands, to support the continued recruitment and retention of well trained, specialised and knowledgeable staff.

Total income for the year was £29.6m (2021: £29.5m) and net movement in funds before the actuarial gain was a loss of £2.2m (2021: surplus £1.3m). The key reasons for this year's losses are increased costs from 20/21 capital projects which were delayed due to Covid and rolled over into 21/22.

The Trust's reserves at 31 August 2022 comprise the restricted fixed asset fund £69.1m (2021: £70.0m), GAG restricted funds £0.5m (2021: £1.0m), unrestricted funds £2.7m (2021: £2.1m) and restricted pension reserve - £1.0m. (2021: -£9.1m). The cash position of the Trust at 31 August 2022 is £6.4m compared to 2021: £5.4m.

The Trust and each school has a costed Trust/school strategic/development plan that supports its key objectives for the financial / school year.

Our efficient and well embedded hub shared services have resulted in and been key to more funds being made available in each school to be spent on teaching and learning and other school focused key areas. With both our primary and secondary schools working together to share experiences and best utilise the resources held within the Trust.

a. Reserves policy

The trustees have developed a reserves policy (incorporated in the investment policy) for the academy Trust. The policy was formulated in light of the nature of the income and expenditure streams and the need to match income with commitments and the nature of reserves. The trustees review the annual budget and three-year plan of the Trust and set the minimum level of reserves having regard to the risks and opportunities of the Trust at 5% of GAG income, which is equivalent to £1.0m. Restricted GAG and unrestricted funds totalled £3.2m at 31 August 2022 which is in excess of the minimum level.

No material funds have been designated for any specific purposes.

The Fixed Asset Fund is £69.1m (2021: £70.0m); these funds could not be released without compromising the provision of education.

Pension funds are in deficit by £1.0m (2021: £9.1m), the Trust is committed to the LGPS and recognise that the pension funds are a long-term liability

SCHOLARS' EDUCATION TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

b. Investment policy

The Trust manages its cash balances to provide for the day to day working capital requirements of the respective schools. The Trust invests, through its individual schools, surplus cash funds to optimise returns but ensures the investment instruments are such that there is no risk to the loss of these cash funds.

Short term deposits have been placed on varying maturity periods with some greater than three months. Short term investments as at 31st August 2022 were £400k.

c. Principal risks and uncertainties

The key risks and appropriate mitigations identified by the Trust Board are:

Serious Safeguarding Incident

Any Safeguarding failures which result in harm being caused to a member of the Trust's community present a serious risk. Safeguarding is taken incredibly seriously within the Trust with "in house" expertise utilised across many of the areas supported by external audit and training, for example single central register, safer recruitment, designated senior leads within each school and within the hub team. Risks are specifically mitigated by:

- Safeguarding external and internal audits which are carried out in parallel to the peer reviews in a format similar to that of external inspections with staff & student interviews, documentation checks and the cross checking of data metrics.
- An assigned Trustee being part of the safeguarding Structure, with LGB governors being the link between governance and the practice within the school. Governance analyse termly reports and data to ensure trends and concerns are monitored and appropriate action is taken.
- Termly DSL meetings to share best practice and discuss complex cases; the safeguarding trustee and LGB governors are invited to these meetings annually, as a minimum, which augments the communication channels already established across the Trust.

Poorly Managed Trust Expansion

Growing too quickly, without due consideration given to the needs of schools currently in the Trust, could result in deterioration in outcomes for pupils, staff or our wider school communities. The Trust Board continues to focus on the Trust's growth plan to ensure the Trust grows in the short and medium term, and recognises the expertise within the Trust team for successfully developing and working with both strong schools and those needing more support and development. To mitigate risk:

- The Trust Board remain mindful of ensuring that any new schools do not put the current good educational practice and financial sustainability of the Trust at risk.
- The Board require that a robust and information based due diligence process is completed on each joining school to the satisfaction and scrutiny of the due diligence committee and board.
- The board ensure that there is sufficient capacity and expertise to manage the due diligence and the induction of the new school when joining the Trust.

Significant Harm or Loss Due to a Cyber-security Incident

Many schools and educational establishments are experiencing increased cyber-attacks from external groups. These represent a significant risk to the Trust's information and finance systems. Should they be accessed. Scholars' Education Trust has a highly qualified and experienced team of IT staff, and system security measures in place that are constantly updated and reviewed. To mitigate risk:

- Security systems are in place to minimise the possibility of infection and to support our secure Trust IT platform such as strict permissions and access protocols, shared areas blocked from running programs and software to spot financial data leaving the site.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

- The web filter and internet firewall have recently been updated by what are seen by the market as highly effective replacements.
- IT Disaster recovery and individual school business continuity plans are updated annually, with the IT disaster recovery plan to be updated further in light of recent events to aid with the finer detailed plans for a complete IT outage.
- The Trust has completed cyber-security training for all staff, has cyber insurance in place and is currently undergoing an external review of all its systems

Difficulties Due to Significant Reductions in School Funding/ inflationary factors and cost of living rises

All schools are seeing increased pressures on their budgets as a result of the above factors, and these present a risk to the Trust's ability to offer the broad and balanced curriculum and extra-curricula programme on which it prides itself. Scholars' Education Trust has an experienced COO and CFO in post with robust and effective monitoring systems in place. The Trust Board and Finance and Audit committee are made up of highly skilled and experienced members to ensure they level of challenge is measured, appropriate and thorough. The Trust is concerned at the continued risk of rising costs for salary increases, utility costs and other supplies which could move our schools into a deficit model at an in year point or within the medium term.

The Trust is equally aware of the pressures on its staff with cost of living rises and will continue to explore ways of supports its staff such as our well being focus, whilst maintaining a balanced budget.

Streamlined energy and carbon reporting

UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only as defined by the operational control boundary. This includes all 5 schools controlled during the reporting period and minibuses along with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (grey fleet)

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period. Quantification and reporting methodology.

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas consumption were compiled from invoice records. Mileage records and mileage claims were used to calculate energy use and emissions associated with minibuses and grey fleet respectively. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

SCHOLARS' EDUCATION TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Streamlined energy and carbon reporting (continued)

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2020/21	2021/22
Mandatory requirements:		
Gas	4,310,287	3,833,014
Purchased electricity from the grid	1,350,632	1,026,924
Transport fuel	33,825	58,518
Total energy (mandatory)	5,694,744	4,918,456

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	2020/21	2021/22
Mandatory requirements:		
<u>Scope 1</u>		
Natural gas	789.5	699.7
Company owned vehicles (minibuses)	5.8	10.5
<u>Scope 2</u>		
Purchased electricity (location-based)	286.8	198.6
<u>Scope 3</u>		
Category 6: Business travel (grey fleet)	2.6	4.1
Total gross emissions (mandatory)	1,084.70	912.9
Intensity ratios (mandatory emissions only)		
Tonnes of CO ₂ e per pupil	0.251	0.204
Tonnes of CO ₂ e per square meter floor area	0.031	0.026

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2021 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions. Floor area is calculated based on the Gross Internal Area and taken primarily from Display Energy Certificates where available.

Energy efficiency action during current financial year

The Trust is committed to reducing emissions and has completed measures in previous years; however, during this reporting period, no new actions have been implemented.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

The Trust's plans for the short term continue to be focused on achieving its aims for all its schools and students whereby they achieve more than they ever felt possible. The Trust enjoys embedded, supportive and robust mechanisms across the Trust that support collaborative ways of working at student, staff and leadership levels which has been valuable as schools in the ever-changing world we live in.

Key foci identified by the Chair and the Trust board for 2022-23 are:

- To ensure any SET schools inspected by Ofsted achieve Good or better
- To ensure the Trust has the resources, systems and reporting necessary for the Trust's growth plan
- To ensure our school improvement programme contributes to the highest standards of education for all our pupils
- To continue to be an employer of choice
- To ensure that SET finances continue to provide best value and highest benefit to all schools.
- The successful opening of the new Buntingford First School

Disclosure of information to auditor

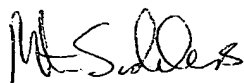
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that 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.

Auditor

Crowe U.K. LLP were appointed auditors to the charitable company and in accordance with section 485 of the Companies Act 2006, a resolution that they be reappointed will be put at a General Meeting.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2022 and signed on its behalf by:



Martin Sidders
Chair of the Trust Board
Scholars' Education Trust

SCHOLARS' EDUCATION TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Scholars' Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Martin Sidders, Chair	6	6
Susan Archer	1	1
Sanjeevan Bala	0	1
Catherine Baxendale	4	5
Andy Cunningham	4	6
Geoffrey Payne	6	6
Bill Rammell	1	6
Claire Robins	6	6
Nick Spittal	1	1
Paul Burrett	5	6
Sean Hegarty	5	6
Joel Bellman	3	3
Victoria Garvin	2	3

The new Board has discharged its duties through meetings of the Trustees, Committees established by the Board to oversee Finance and Audit, Remuneration, Admissions, Educational Standards, Due Diligence & Growth, and delegation to Local Governing Bodies and the Chief Executive Officer in accordance with the Schedule of Delegation. They have also appointed new auditors.

During the year the Trustees have reviewed the performance of the Board and the Chair. The Board has been effective in carrying out its duties and has identified areas for future improvement.

The Board has received comprehensive information on which to make decisions and to exercise its oversight of Trust activities.

SCHOLARS' EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and Audit committee is established as a committee comprising directors and local governing body governors to:

- Recommend approval of the Annual Financial Statements to the Trust Board
- Scrutinise Annual Budgets, Cash Forecasts and Three-Year Plans
- Monitor finance performance against Budget
- Appoint the external auditors, set their remuneration and monitor independence
- Review internal controls
- Review the risks faced by the Trust and mitigating actions
- Review Value for Money; and
- Consider Financial Policy for recommendation to the Board

Review of value for money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Continuing to provide staff training and support with a wider Trust remit; with cross-Trust training and opportunities to share good practice for both teaching and support staff. A key example is this year's Staff Conference which was themed around sustainability.
- Collective procurement of IT equipment, software and associated resources supporting our digital technology foci and security.
- Improving the central school improvement support through the development of the SET Leaders of Education role and through bringing together postholders to align and develop practice across the Trust in key areas such as SEND and Pupil Premium.
- Trust wide tender processes and the successful appointment of new catering provision to included dedicated catering zones for sixth formers at Robert Barclay Academy and Samuel Ryder Academy.
- support offered from 2022/23 to enhance the ease and effective use of data collation for use in schools.
- Increased centralisation of HR documentation, performance management and admissions processes.

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GOVERNANCE STATEMENT (CONTINUED)

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 objective. 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 Scholars' Education Trust for the period 1st September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. There were three reviews carried out in 2021/22 in a Trust Board pre-planned and approved programme. During the year the internal scrutiny visits and reviewed: Financial Oversight and Planning, Delegated Authorities, Governance, Business Continuity, Income generation, changes to the academies' financial handbook, roles and responsibilities and academy development plans. The overall assurance opinion provided was at the highest level, Substantial.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy Trust's significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

On a regular basis, the auditor reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The internal audit provision reported to the Trust board on a series of tests throughout the year with no material findings reported and overall assurance graded, at the highest level, as Substantial.

The Board of Trustees has decided not to employ an internal auditor.

SCHOLARS' EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- work of sub committees and Board;

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

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



Martin Sidders
Chair of the Trust Board
Scholars' Education Trust



Claire Robins
Chief Executive Officer
Scholars' Education Trust

SCHOLARS' EDUCATION TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Scholars' Education Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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

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



Claire Robins
Chief Executive Officer
Scholars' Education Trust

Date: 15 December 2022

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

Company law requires the Trustees to prepare 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:

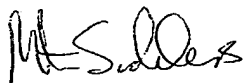
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 and signed on its behalf by:



Martin Sidders
Chair of the Trust Board
Scholars' Education Trust

Date: 15 December 2022

SCHOLARS' EDUCATION TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SCHOLARS' EDUCATION TRUST**

Opinion

We have audited the financial statements of Scholars' Education Trust (the 'Academy Trust') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP and the Academies Accounts Direction 2021 to 2022 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 Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

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 Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

SCHOLARS' EDUCATION TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SCHOLARS' EDUCATION TRUST (CONTINUED)**

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 Annual report. 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SCHOLARS' EDUCATION TRUST (CONTINUED)**

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Academies Financial Handbook 2021 and the Academies Accounts Direction. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SCHOLARS' EDUCATION TRUST (CONTINUED)**

Use of our report

This report is made solely to the Academy Trust'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 Academy Trust'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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Thomas (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

19 December 2022

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 25 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Scholars' Education Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Scholars' Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Scholars' Education Trust's funding agreement with the Secretary of State for Education dated 8 August 2012 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)

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

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the Academy Trust;
- a review of Minutes of Committees and Board Meetings which may be relevant to regularity;
- consideration of discussions with key personnel, including the Accounting Officer and Governing Body;
- tests of control have been carried out on a control activity which are relevant to regularity
- substantive testing of individual transactions.

Conclusion

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

Crowe U.K. LLP

Reporting Accountant
Crowe U.K. LLP

Statutory Auditor

Date: 19 December 2022

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income from:						
Donations and capital grants	4	-	110	1,782	1,892	4,045
Other trading activities		749	-	-	749	429
Investments	7	1	-	-	1	1
Charitable activities		1,430	25,441	-	26,871	24,996
Teaching schools		-	65	-	65	45
Total income		2,180	25,616	1,782	29,578	29,516
Expenditure on:						
Charitable activities	9	1,607	26,749	3,407	31,763	28,237
Teaching schools		-	-	-	-	7
Total expenditure		1,607	26,749	3,407	31,763	28,244
Net income/(expenditure)		573	(1,133)	(1,625)	(2,185)	1,272
Transfers between funds	22	-	(759)	759	-	-
Net movement in funds before other recognised gains/(losses)		573	(1,892)	(866)	(2,185)	1,272
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	9,612	-	9,612	(2,016)
Net movement in funds		573	7,720	(866)	7,427	(744)
Reconciliation of funds:						
Total funds brought forward		2,138	(8,185)	69,950	63,903	64,647
Net movement in funds		573	7,720	(866)	7,427	(744)
Total funds carried forward		2,711	(465)	69,084	71,330	63,903

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07697132

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	16	67,630	68,526
Current assets			
Stocks	17	20	21
Debtors	18	1,201	950
Short term investments	19	400	400
Cash at bank and in hand		6,070	5,024
		<u>7,691</u>	<u>6,395</u>
Creditors: amounts falling due within one year	20	(2,840)	(1,625)
Net current assets		<u>4,851</u>	<u>4,770</u>
Total assets less current liabilities		<u>72,481</u>	<u>73,296</u>
Creditors: amounts falling due after more than one year	21	(161)	(249)
Net assets excluding pension liability		<u>72,320</u>	<u>73,047</u>
Defined benefit pension scheme liability	28	(990)	(9,144)
Total net assets		<u><u>71,330</u></u>	<u><u>63,903</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	22	69,084	69,950
Restricted income funds	22	525	959
		<u>69,609</u>	<u>70,909</u>
Restricted funds excluding pension asset	22	69,609	70,909
Pension reserve	22	(990)	(9,144)
Total restricted funds	22	<u>68,619</u>	<u>61,765</u>
Unrestricted income funds	22	2,711	2,138
Total funds		<u><u>71,330</u></u>	<u><u>63,903</u></u>

The financial statements on pages 32 to 68 were approved by the Trustees, and authorised for issue on 15 December 2022 and are signed on their behalf, by:

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07697132

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022



Martin Sidders

Chair of the Trust Board

Scholars' Education Trust

The notes on pages 36 to 68 form part of these financial statements.

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	24	202	398
Cash flows from investing activities	25	844	100
Change in cash and cash equivalents in the year		1,046	498
Cash and cash equivalents at the beginning of the year		5,424	4,926
Cash and cash equivalents at the end of the year	26, 27	6,470	5,424

The notes on pages 36 to 68 form part of these financial statements

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. General information

Scholars' Education Trust is a private company limited by guarantee, incorporated in England and Wales (company number 07697132). The registered office and principal place of business is Manland Way, Harpenden, Hertfordshire, AL5 4QP.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

Scholars' Education Trust meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

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

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

- **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 'Stocks' 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'.

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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 Capital Grants' 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.

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Accounting policies (continued)

2.4 Expenditure

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

2.5 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 Part 11, chapter 3 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.

2.6 Tangible fixed assets

Assets costing £5,000 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.

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

SCHOLARS' EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- 2% straight line
Fixtures, fittings and equipment	- 20% straight line
Computer hardware	- 33% straight line
Motor vehicles	- 25% straight line

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

2.7 Stocks

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

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

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

2.10 Liabilities

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

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.11 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 bases 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 18. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 20 and 21. 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.

2.12 Operating leases

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

2.13 Pensions

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

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

SCHOLARS' EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 month of market experience and one month of extrapolation being assumed.

SCHOLARS' EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Income from donations and capital grants

	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Donations	110	-	110
Capital Grants	-	1,782	1,782
	<u>110</u>	<u>1,782</u>	<u>1,892</u>

	<i>Restricted funds 2021 £000</i>	<i>Restricted fixed asset funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Donations	72	-	72
Capital Grants	-	3,973	3,973
	<u>72</u>	<u>3,973</u>	<u>4,045</u>

SCHOLARS' EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Funding for the Academy Trust's charitable activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
Educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	-	23,235	23,235
Other DfE/ESFA grants			
UIFSM	-	82	82
Pupil Premium	-	715	715
Teachers Pay Grant	-	38	38
Teachers Pension Grant	-	108	108
Others	-	529	529
	-	24,707	24,707
Other Government grants			
Local Authority grants	-	734	734
Other income from the Academy Trust's educational operations	1,430	-	1,430
	1,430	25,441	26,871

SCHOLARS' EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Funding for the Academy Trust's charitable activities (continued)

	<i>Unrestricted funds 2021 £000</i>	<i>Restricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Educational operations			
DfE/ESFA grants			
General Annual Grant	-	21,340	21,340
Other DfE/ESFA grants			
UFSM	-	167	167
Pupil Premium	-	681	681
Teachers Pay grant	-	283	283
Teachers pension grant	-	800	800
Others	-	566	566
	-	23,837	23,837
Other Government grants			
Local Authority grants	-	321	321
	-	321	321
Other income from the Academy Trust's educational operations	639	-	639
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	151	151
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	-	20	20
Coronavirus exceptional support	-	28	28
	-	48	48
	639	24,357	24,996

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NOTES TO THE FINANCIAL STATEMENTS
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6. Income from other trading activities

	Unrestricted funds 2022 £000	Total funds 2022 £000
Hire of facilities	232	232
Income from clubs	252	252
Other trading income	265	265
	<u>749</u>	<u>749</u>
	<u><u>749</u></u>	<u><u>749</u></u>
	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Hire of facilities	118	118
Income from clubs	131	131
Other trading income	180	180
	<u>429</u>	<u>429</u>
	<u><u>429</u></u>	<u><u>429</u></u>

7. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000
Short term deposits	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>
	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Short term deposits	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>

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8. Expenditure

	Staff Costs	Premises	Other	Total
	2022	2022	2022	2022
	£000	£000	£000	£000
Educational operations:				
Direct costs	18,131	4,218	1,626	23,975
Allocated support costs	3,898	1,835	2,055	7,788
Teaching school	-	-	-	-
	<u>22,029</u>	<u>6,053</u>	<u>3,681</u>	<u>31,763</u>

	<i>Staff Costs</i>	<i>Premises</i>	<i>Other</i>	<i>Total</i>
	<i>2021</i>	<i>2021</i>	<i>2021</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Educational operations:				
Direct costs	18,503	3,197	1,025	22,725
Allocated support costs	2,552	1,475	1,485	5,512
Teaching school	7	-	-	7
	<u>21,062</u>	<u>4,672</u>	<u>2,510</u>	<u>28,244</u>

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted	Restricted	Total
	funds	funds	2022
	2022	2022	2022
	£000	£000	£000
Educational operations	<u>1,607</u>	<u>30,156</u>	<u>31,763</u>

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NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Unrestricted funds 2021 £000</i>	<i>Restricted funds 2021 £000</i>	<i>Total 2021 £000</i>
Educational operations	801	27,436	28,237

10. Analysis of expenditure by activities

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000
Educational operations	23,975	7,788	31,763

	<i>Activities undertaken directly 2021 £000</i>	<i>Support costs 2021 £000</i>	<i>Total funds 2021 £000</i>
Educational operations	22,725	5,512	28,237

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10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2022 £000	Total funds 2022 £000
Staff costs	3,825	3,825
Depreciation	1,835	1,835
Other staff costs	134	134
Technology costs	286	286
Other support cost	358	358
Legal costs	7	7
Catering	1,153	1,153
Governance costs	31	31
Pension finance costs	158	158
Loan interest	1	1
	<u>7,788</u>	<u>7,788</u>

	<i>Educational operations 2021 £000</i>	<i>Total funds 2021 £000</i>
Staff costs	2,449	2,449
Depreciation	1,475	1,475
Other staff costs	103	103
Technology costs	329	329
Other support costs	330	330
Legal costs	40	40
Catering	752	752
Governance costs	34	34
	<u>5,512</u>	<u>5,512</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	<i>2021</i>
	£000	<i>£000</i>
Operating lease rentals	17	30
Depreciation of tangible fixed assets	1,835	1,475
Fees paid to auditor for:		
- audit	18	18
- other services	13	16
	<u> </u>	<u> </u>

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	<i>2021</i>
	£000	<i>£000</i>
Wages and salaries	15,411	15,011
Social security costs	1,432	1,307
Pension costs	4,861	4,429
	<u>21,704</u>	<u>20,747</u>
Supply staff costs	146	142
Staff training and other costs	117	108
Apprenticeship levy	62	60
	<u>22,029</u>	<u>21,057</u>

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12. Staff (continued)

a. Staff costs (continued)

Staff restructuring costs comprise:

	2022	<i>2021</i>
	£000	<i>£000</i>
Severance payments	7	<i>10</i>
	7	<i>10</i>

b. Severance payments

The Academy Trust paid 2 severance payments in the year (2021 - 1), disclosed in the following bands:

	2022	<i>2021</i>
	No.	<i>No.</i>
£0 - £25,000	1	<i>1</i>

c. Special staff severance payments

There was one non-statutory/non-contractual severance payment during the year amounting to £6,599.

d. Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2022	<i>As restated 2021</i>
	No.	<i>No.</i>
Teachers	265	<i>258</i>
Administration and support	263	<i>263</i>
Management	32	<i>31</i>
	560	<i>552</i>

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12. Staff (continued)

e. Higher paid staff

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

	2022	<i>2021</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	13	<i>14</i>
In the band £70,001 - £80,000	5	<i>4</i>
In the band £80,001 - £90,000	-	<i>2</i>
In the band £90,001 - £100,000	3	<i>1</i>
In the band £120,001 - £130,000	-	<i>1</i>
In the band £130,001 - £140,000	2	<i>1</i>

f. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £481,745 (2021 - £483,279).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

13. Central services

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

- Executive Leadership Team
- Senior Human Resources Management
- Legal, Governance and Trust Administration
- Marketing and PR

The Academy Trust charges for these services on the following basis:

Flat percentage of recurring GAG income at 6% (2021: 5.6%)

The actual amounts charged during the year were as follows:

	2022	2021
	£000	£000
Sir John Lawes School	443	390
Samuel Ryder Academy	472	412
Robert Barclay Academy	220	192
Harpenden Academy	59	51
Priory Academy	227	192
Total	1,421	1,237

14. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

	2022	2021
	£000	£000
Claire Robins (trustee and headteacher at SJL) Remuneration	135 - 140	135 - 140
Pension contributions paid	30 - 35	30 - 35

During the year, retirement benefits were accruing to no Trustees (2021 - none) in respect of defined benefit pension schemes.

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
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15. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was £82,080 (2021 - £76,086). The cost of this insurance is included in the total insurance cost.

16. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2021	22,213	50,992	1,318	2,871	77,394
Additions	-	-	351	588	939
At 31 August 2022	22,213	50,992	1,669	3,459	78,333
Depreciation					
At 1 September 2021	2,172	3,391	980	2,325	8,868
Charge for the year	300	668	350	517	1,835
At 31 August 2022	2,472	4,059	1,330	2,842	10,703
Net book value					
At 31 August 2022	19,741	46,933	339	617	67,630
At 31 August 2021	20,041	47,601	338	546	68,526

17. Stocks

	2022 £000	2021 £000
General stock	20	21

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18. Debtors

	2022 £000	2021 £000
Trade debtors	56	13
Other debtors	4	-
VAT repayable	606	366
Prepayments and accrued income	535	571
	<u>1,201</u>	<u>950</u>

19. Current asset investments

	2022 £000	2021 £000
Bank deposits held for reinvestment	400	400
	<u>400</u>	<u>400</u>

20. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	1,388	400
Other creditors	175	144
Accruals and deferred income	1,277	1,081
	<u>2,840</u>	<u>1,625</u>
	<u>2,840</u>	<u>1,625</u>
	2022 £000	2021 £000
Deferred income		
Deferred income at 1 September 2021	374	238
Resources deferred during the year	695	374
Amounts released from previous periods	(374)	(238)
	<u>695</u>	<u>374</u>
	<u>695</u>	<u>374</u>

At the balance sheet date the Academy Trust was holding funds received in advance for school trips and iPad contributions for the school year ending 31 August 2022. A number of government grants had also been received which related to the school year ending 31 August 2023.

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

	2022	<i>2021</i>
	£000	<i>£000</i>
Other creditors	161	<i>249</i>

Included within other creditors (short term) is an ESFA creditor for abatement of GAG of £54,347 (2021: £108,495) in relation to Harpenden Academy. This balance is payable within one year.

Also included in other creditors (long and short term) are Salix loans of £171,000 (2021: £190,000) which are repayable within five to nine years. The loans are provided interest free.

Also included in other creditors (long term) is a CIF loan to Priory Academy for £31,806 (2021: £37,870) which is repayable within 6 years bearing an interest of 1.79%.

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22. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
General funds	2,138	2,180	(1,607)	-	-	2,711
Restricted general funds						
General Annual Grant (GAG)	959	23,235	(22,910)	(759)	-	525
UIFSM	-	82	(82)	-	-	-
Pupil Premium	-	715	(715)	-	-	-
Teachers pay grant	-	38	(38)	-	-	-
Teachers pension grant	-	108	(108)	-	-	-
Other income	-	175	(175)	-	-	-
Other grants	-	529	(529)	-	-	-
Local Authority Grant	-	734	(734)	-	-	-
Pension reserve	(9,144)	-	(1,458)	-	9,612	(990)
	(8,185)	25,616	(26,749)	(759)	9,612	(465)
Restricted fixed asset funds						
Priory Academy land	818	-	-	-	-	818
DfE/ESFA capital grants	69,132	1,782	(3,407)	759	-	68,266
	69,950	1,782	(3,407)	759	-	69,084
Total Restricted funds	61,765	27,398	(30,156)	-	9,612	68,619
Total funds	63,903	29,578	(31,763)	-	9,612	71,330

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22. Statement of funds (continued)

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

Restricted general funds

This includes all monies received from the ESFA to carry out the objectives of the Academy Trust. It also includes funding received from the DfE and Local Education Authorities for specific purposes.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

Sufficient resources are held in an appropriate form for the fund to be applied in accordance with any restrictions.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS defined benefit pension reserve.

Restricted fixed asset fund

The restricted fixed asset fund represents income and expenditure relating to the purchase of other acquisitions of land, buildings and capital equipment. This includes gifted assets received from the local authority and capital grants from the DfE and other sources to finance the development and building of the academies within the trust, and their tangible fixed assets and the annual charges for depreciation of these assets.

Unrestricted funds

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

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

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

	<i>Balance at 1 September 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2021 £000</i>
Unrestricted funds						
General funds	1,870	1,069	(801)	-	-	2,138
	<i>Balance at 1 September 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2021 £000</i>
Restricted general funds						
General Annual Grant (GAG)	40	21,340	(21,885)	1,464	-	959
UIFSM	-	167	(167)	-	-	-
Pupil Premium	-	681	(681)	-	-	-
Teachers pay grant	-	283	(283)	-	-	-
Teachers pension grant	-	800	(800)	-	-	-
Other income	-	117	(117)	-	-	-
Other grants	-	566	(566)	-	-	-
Catch up premium	-	151	(151)	-	-	-
Coronavirus Job Retention Scheme grant	-	20	(20)	-	-	-
Coronavirus exceptional support	-	28	(28)	-	-	-
Local Authority Grant	-	321	(321)	-	-	-
Priory transfer	426	-	-	(426)	-	-
Pension reserve	(6,179)	-	(949)	-	(2,016)	(9,144)
	(5,713)	24,474	(25,968)	1,038	(2,016)	(8,185)

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22. Statement of funds (continued)

	<i>Balance at 1 September 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2021 £000</i>
Restricted fixed asset funds						
Priory Academy land	818	-	-	-	-	818
DfE/ESFA capital grants	67,672	3,973	(1,475)	(1,038)	-	69,132
	<u>68,490</u>	<u>3,973</u>	<u>(1,475)</u>	<u>(1,038)</u>	<u>-</u>	<u>69,950</u>
Total Restricted funds	<u>62,777</u>	<u>28,447</u>	<u>(27,443)</u>	<u>-</u>	<u>(2,016)</u>	<u>61,765</u>
Total funds	<u><u>64,647</u></u>	<u><u>29,516</u></u>	<u><u>(28,244)</u></u>	<u><u>-</u></u>	<u><u>(2,016)</u></u>	<u><u>63,903</u></u>

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £000	2021 £000
Sir John Lawes School	705	564
Samuel Ryder Academy	1,126	1,297
Robert Barclay Academy	119	248
Harpenden Academy	(20)	(129)
Priory Academy	626	890
Central Services	680	227
	<u>3,236</u>	<u>3,097</u>
Total before fixed asset funds and pension reserve	3,236	3,097
Restricted fixed asset fund	69,084	69,950
Pension reserve	(990)	(9,144)
Total	<u><u>71,330</u></u>	<u><u>63,903</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000
Sir John Lawes School	5,547	750	231	1,685	8,213
Samuel Ryder Academy	5,740	925	264	2,040	8,969
Robert Barclay Academy	2,930	495	141	1,438	5,004
Harpenden Academy	797	138	21	325	1,281
Priory Academy	2,884	403	210	1,195	4,692
Central Services	233	1,187	4	345	1,769
Academy Trust	18,131	3,898	871	7,028	29,928

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000
Sir John Lawes School	4,856	1,309	213	1,098	7,476
Samuel Ryder Academy	5,133	1,234	225	1,146	7,738
Robert Barclay Academy	2,551	758	110	767	4,186
Harpenden Academy	657	236	19	285	1,197
Priory Academy	2,344	794	153	656	3,947
Central services	253	933	-	1,032	2,218
Academy Trust	15,794	5,264	720	4,984	26,762

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NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	67,630	67,630
Current assets	2,711	3,526	1,454	7,691
Creditors due within one year	-	(2,840)	-	(2,840)
Creditors due in more than one year	-	(161)	-	(161)
Provisions for liabilities and charges	-	(990)	-	(990)
Total	2,711	(465)	69,084	71,330

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	68,526	68,526
Current assets	2,138	2,833	1,424	6,395
Creditors due within one year	-	(1,625)	-	(1,625)
Creditors due in more than one year	-	(249)	-	(249)
Provisions for liabilities and charges	-	(9,144)	-	(9,144)
Total	2,138	(8,185)	69,950	63,903

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022	2021
	£000	£000
Net (expenditure)/income for the year (as per Statement of financial activities)	(2,185)	1,272
Adjustments for:		
Depreciation	1,835	1,475
Capital grants from DfE and other capital income	(1,782)	(3,973)
Interest receivable	(1)	(1)
Defined benefit pension scheme cost less contributions payable	1,300	840
Defined benefit pension scheme finance cost	158	109
Decrease in stocks	1	2
(Increase)/decrease in debtors	(251)	78
Increase in creditors	1,127	596
Net cash provided by operating activities	202	398

25. Cash flows from investing activities

	2022	2021
	£000	£000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(939)	(3,874)
Capital grants from DfE Group	1,782	3,973
Net cash provided by investing activities	844	100

26. Analysis of cash and cash equivalents

	2022	2021
	£000	£000
Cash in hand and at bank	6,070	5,024
Notice deposits (less than 3 months)	400	400
Total cash and cash equivalents	6,470	5,424

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NOTES TO THE FINANCIAL STATEMENTS
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27. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	5,024	1,046	6,070
Liquid investments	400	-	400
	<u>5,424</u>	<u>1,046</u>	<u>6,470</u>

28. Pension commitments

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 Hertfordshire County Council. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time 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.

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28. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% 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 employer's pension costs paid to TPS in the year amounted to £3,724,278 (2021 - £2,583,396).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £1,084,000 (2021 - £1,065,000), of which employer's contributions totalled £865,000 (2021 - £846,000) and employees' contributions totalled £219,000 (2021 - £219,000). The agreed contribution rates for future years are 23.68 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

28. Pension commitments (continued)

Principal actuarial assumptions

Hertfordshire County Council

	2022	2021
	%	%
Rate of increase in salaries	3.45	3.40
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.90

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.9	22.1
Females	24.4	24.5
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	26.0	26.2

Bedfordshire County Council

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.90
Rate of increase for pensions in payment/inflation	2.95	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	2.95	2.90

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	22.0	21.9
Females	24.4	24.3
<i>Retiring in 20 years</i>		
Males	22.9	22.9
Females	26.1	26.9

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(309)	(506)
Discount rate -0.1%	310	508
Mortality assumption - 1 year increase	507	857
Mortality assumption - 1 year decrease	(505)	(850)
CPI rate +0.1%	272	476
CPI rate -0.1%	(270)	(474)
Pension increase rate +0.5%	-	779
Salary adjustment +0.1%	42	24
Salary adjustment -0.1%	(42)	(24)

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	At 31 August 2022	At 31 August 2021
	£000	£000
Equities	6,279	6,646
Corporate bonds	2,797	3,292
Property	1,806	1,281
Cash and other liquid assets	1,305	749
Total market value of assets	12,187	11,968

The actual return on scheme assets was £887,000 (2021 - £1,143,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022	2021
	£000	£000
Current service cost	2,165	1,685
Interest income	206	110
Interest cost	(364)	(846)
Total amount recognised in the Statement of financial activities	2,007	949

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

28. Pension commitments (continued)

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

	2022	2021
	£000	£000
At 1 September	21,112	15,941
Current service costs	2,165	1,685
Interest cost	364	281
Employee contributions	219	219
Actuarial gains/losses	(10,499)	3,159
Benefits paid	(183)	(173)
At 31 August	13,178	21,112

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2022	2021
	£000	£000
At 1 September	11,968	9,762
Interest income	206	172
Actuarial gain/loss	(887)	1,142
Employer contributions	865	846
Employee contributions	219	219
Benefits paid	(183)	(173)
At 31 August	12,188	11,968

29. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£000	£000
Not later than 1 year	7	7
Later than 1 year and not later than 5 years	-	2
	7	9

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NOTES TO THE FINANCIAL STATEMENTS
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30. 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.

31. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the 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.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 14.

32. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2022 the trust received £14,412 (2021: £21,619) and paid out £24,321 (2021: £21,619) from the fund. An amount of £24,167 (2021: £28,215) is included in other creditors relating to undistributed funds that are repayable to the ESFA.