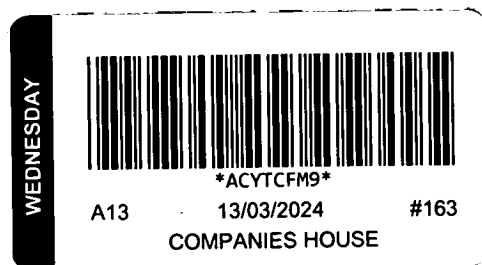


Company registration number 08107711 (England and Wales)

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

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**



# AURORA ACADEMIES TRUST

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# AURORA ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Aurora Education Trust (represented by R Packard)  
G Palmer  
J Kapsalis  
A Blaker QPM (Appointed 1 September 2023)

### Trustees

M J I Burnige (Chair) (Appointed 1 May 2023)  
R Packard (Vice Chair)  
M Brunet (Chair of Finance, Audit, Human Resources and Risk Committee)  
S W Reeves (Chair of Educational Standards and School Performance Committee) (Appointed 14 December 2022)  
M Szalay  
A Nichols  
B North  
J Upton (Appointed 14 December 2022)  
A Blaker QPM (Resigned 31 August 2023)  
D Wootton CBE (Resigned 12 January 2023)  
S Dawson (Resigned 28 September 2023)  
J Meek (Appointed 28 June 2023 and resigned 28 September 2023)

### Senior management team

- Chief Executive Officer	J Freeston
- Director of Finance	A Graham
- Director of Education	L Masson (Appointed 1 September 2023)
- Director of Estates	R Barrett (Appointed 1 September 2023)

### Company secretary

R Ali

### Company registration number

08107711 (England and Wales)

### Principal and registered office

Glenleigh Park Primary Academy  
Gunters Lane  
Bexhill On Sea  
East Sussex  
TN39 4ED

### Academies operated

Glenleigh Park Primary Academy  
King Offa Primary Academy  
Oakwood Primary Academy  
Heron Park Primary Academy  
The Gatwick School  
City Academy Whitehawk  
Westvale Park Primary Academy

### Location

Bexhill on Sea  
Bexhill on Sea  
Eastbourne  
Eastbourne  
Crawley  
Brighton  
Horley

### Head Teacher

L Pocock  
N Baker  
R Laker  
H Crees  
D Marillat  
T McMorrin  
S Kelly

### Independent auditor

Alliotts LLP  
Friary Court  
13-21 High Street  
Guildford  
Surrey  
GU1 3DL

# AURORA ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Bankers

Lloyds Bank plc  
25 Gresham Street  
London  
EC2V 7HN

### Solicitors

VWV  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4QA

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2023

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The Trustees of Aurora Academies Trust (the **Trust**), present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates seven schools in Sussex, Brighton and Hove and Surrey: Oakwood Primary Academy and Heron Park Primary Academy in Eastbourne; King Offa Primary Academy and Glenleigh Park Primary Academy in Bexhill on Sea; City Academy Whitehawk in Brighton, The Gatwick School in Crawley and Westvale Park Primary Academy in Horley. The schools have approximately 2,991 pupils on roll.

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

##### Constitution

The Trust was incorporated as a company limited by guarantee on 15 June 2012 and is an exempt charity. The Trust's governing document is its memorandum and articles of association.

The Trustees of Aurora Academies Trust are also the directors of the charitable company for the purposes of company law. 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.

##### Members' liability

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

##### Trustees' indemnities

The Trust has opted into the Department for Education's risk protection assurance arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business and provides cover up to £10,000,000. It is not possible to quantify the Trustees' indemnity element from the overall cost of the RPA.

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

Under the articles of association, Aurora Education Trust, as Principal Sponsor, may appoint up to eight Trustees. The remaining Trustees are co-opted by the other Trustees.

The Trustees look to ensure a mix of skills and select new Trustees on the basis of background, experience and specialist skills including finance/accounting, teaching, education management, business and property/estates.

During the year Trustees used external agencies to assist with the recruitment of trustees in order to draw from a wide pool. Diversity amongst the board is important to Trustees and is something that the Trustees would like to address when recruiting new Trustees.

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

New Trustees are provided with copies of key documents and receive an induction programme led by the Chief Executive Officer and Trust Governance Manager. Trustees are also provided access to an induction training programme provided by Governor Hub Knowledge.

All Trustees have access to a number of training resources and have undertaken a number of courses during the year including safeguarding, exclusions, finance and pupil premium. The Trust holds an annual Governance Conference which includes training and briefings on relevant topics.

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### Organisational structure

The day-to-day operation of the Trust is undertaken by the Chief Executive Officer and executive team in accordance with the Trust's scheme of delegation and other policies and procedures approved by the Trustees. Significant personnel and expenditure decisions and major capital projects are referred to the Trustees for prior approval. These policies and procedures are based on guidance from DfE. The Chief Executive Officer acts as the accounting officer.

Martha Burnige served as interim Chief Executive Officer from January 2022 until April 2023. The Trustees appointed James Freeston as Chief Executive Officer with effect from 1 May 2023. Mr Freeston was previously the Trust's Director of Education.

The Trust has four members including Aurora Education Trust as Principal Sponsor. The members have no operational responsibility for the Trust but under company law are entitled to appoint and remove Trustees.

The Trustees meet at least four times a year. The Trustees have formed a committee for each of the schools, known as the Local Academy Boards. Each Local Academy Board includes staff and parent representatives, and their focus is to oversee continual school improvement. Where Trustees feel that a school requires additional support, an Interim Executive Board will be put in place which has terms of reference which differ from a Local Academy Board. The Trustees have formed an Interim Executive Board for The Gatwick School.

The Trustees have formed two further committees which are chaired by Trustees:

Finance, Audit, HR and Risk Committee which receives the monthly management accounts and sets and scrutinises the budget and the risk register. It also receives reports on HR matters and approves bids for capital grants.

Education Standards and School Performance Committee which supports and challenges the executive team to ensure continual improvement of educational standards and outcomes in all Trust schools including scrutinising data on academic standards, behaviour, attendance and safeguarding.

Terms of reference for each committee are reviewed annually. The Trustees are advised on governance issues by the Trust Governance Manager who also co-ordinates the meetings of the Trustees, the two committees, IEB and one LAB. Another clerk is responsible for the meetings of the other five LABs.

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

'Key management personnel' refers to members of the senior central team, which comprises the Chief Executive Officer, Director of Finance, Director of Education and, from 1 September 2023, the Director of Estates.

The Trustees have delegated responsibility to the Chair to set targets and to review annually the performance of the Chief Executive Officer in line with the Academies Trust Handbook. The Chair recommends any (or no) pay award based on the successful meeting of performance targets by the Chief Executive Officer.

The Chief Executive Officer completes the performance review of the Director of Finance, Director of Education and the Director of Estates and has delegated responsibility to approve any pay award.

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### Trade union facility time

All Trust schools buy into the local authority Trade Union facilities pool and the Trust has a Joint Consultation committee with the Trade unions and professional associations which meets three times a year.

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	2.00

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

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

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

Total cost of facility time	1,122
Total pay bill	15,074,708
Percentage of the total pay bill spent on facility time	-

#### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	20%
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### Engagement with employees

The Trust has engaged with its employees in a number of ways during the year including:

- Consulting with staff as part of a review of the Trust's vision and values and the newly defined "Aurora Approach"
- Conducting a whole staff survey
- Holding regular meetings with trade unions and professional associations, via a Joint Consultation Committee
- Conducting an online exit survey for staff leaving the Trust.
- Ensuring staff are represented on Local Academy Boards.

The results of the staff survey and exit surveys are considered by Trustees and also by the Local Academy Boards.

The Trust is mindful of its duties under the Equality Act 2010 and strives to ensure equality of opportunity for all staff to enable them to reach their full potential. The Employment Manual also states that employees will be given access to training to enable them to progress in the organisation, and staff with disabilities will be supported and reasonable adjustments made to facilitate their working needs. Job applications from disabled candidates are welcomed but the Trust realises that there is more to be done to support their training and promotion and will address this issue.

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

The Trust is aware of the need to foster relationships and developing partnerships with suppliers. This is an area for development over the coming year. During the year the Trust began two large procurements of key contracts. In both cases a good dialogue was established with prospective suppliers.

Whilst the Trust does not have paying customers, it is acutely aware of the responsibility it has to serve the localities in which the schools are located. Relationships with families and the wider local communities are extremely important and the Trust seeks to develop these through the Local Academy Boards, fundraising for local causes and participation in local events.

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Related parties and other connected charities and organisations

The Principal Sponsor of the Trust is Aurora Education Trust (AET), a UK charitable company. The sole member of AET is Pansophic Learning UK Limited (PLUK). Ron Packard and Maria Szalay who are Trustees of the Trust are also directors of AET and PLUK. Martha Burnige is a Trustee of the Trust who is a Director of AET and was an employee of both the Trust and PLUK from January 2022 to April 2023.

The Trust had no related party transactions during the year.

#### **Objectives and activities**

##### Objects and aims

The Company's charitable objects as set out in its articles of association are:

"to advance for the public benefit education in the United Kingdom in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies, offering a broad and balanced curriculum, and

"the provision of facilities for recreation or other leisure time occupation for individuals who have need for such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving their condition of life."

#### **Strategic report**

##### Achievements and performance

During the year the Trust continued to build on the improvements that were started in the previous year including further development of the Aurora Education Manual. To complement this, an Aurora Knowledge Bank was launched which is a single point of reference for Trust policies and compliance documents. This is designed to improve the operational efficiency of the Trust which was another of the areas for development identified by the Trustees as a priority for the year.

The Trust undertook a comprehensive review of its Employment Manual and introduced a number of new policies designed to support staff including a Menopause Policy and paid time off for IVF appointments.

A new Governance Manual was published providing resources for Local Academy Boards and trustees.

During the year the Trust has further strengthened its leadership team through the recruitment of a permanent Chief Executive Officer, a new Director of Education and a Director of Estates. At school level the Trust recruited new headteachers for Heron Park Primary Academy (January 2023) and The Gatwick School (September 2023).

Further work has been done to develop the Aurora Curriculum and the Curriculum Development Team has grown to include maths specialists who are working on developing a trust-wide maths curriculum. The Aurora Curriculum has been assessed by Ofsted as part of its inspections of Trust schools this year and was described in an inspection report as

"innovative and well-structured"

A new Professional Network has been established for Special Education Needs Coordinators (SENCOs) across the Trust. This builds on the success of other Professional Networks established last year.

The Trust was successful in two bids to the DfE's Condition Improvement Fund and was awarded £1.1m of capital funding. The projects were

- Fire safety works at Heron Park Primary Academy
- Structure works at City Academy Whitehawk



# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### Key performance indicators

Trustees consider the Ofsted grade awarded to its schools as a key performance indicator and one strategic objective for the Trust for the year was for all its schools to be graded as "Good" or better.

The Trust is proud that all of its schools are now graded as "Good" by Ofsted. During the year three schools were inspected.

**Oakwood Primary Academy** was inspected in October 2022 and was graded as Good in all areas having previously been judged to be Inadequate. The report noted:

**"Leaders and staff have high expectations. Pupils are kind, compassionate and considerate towards everyone. One parent rightly described Oakwood Primary Academy as an 'amazing place where our children thrive and are extremely happy'.**

**"Pupils enjoy learning, and classrooms are abuzz with lively discussions."**

The **Gatwick School** received an ungraded inspection in January 2023. As a result the school remains graded as "Good" although Ofsted identified that further school improvement work is required if it is to retain that grade on its next full inspection. This work is well underway overseen by an Interim Executive Board chaired by the Chair of Trustees. The report noted:

**"Pupils are proud that their school is inclusive and diverse. They respect each other's views and differences. Leaders promote awareness of culture and tolerance through pupil-led assemblies, for example about racism. Many pupils value the school's role as a 'rights respecting school' in caring for others. For instance, older pupils act as buddies for those in the primary phase."**

**Westvale Park Primary Academy** received its first inspection in June 2023. It was graded as Good in all areas and Outstanding for Personal Development. The report noted:

**"This is a happy and nurturing school where pupils are cared for exceptionally well. Leaders have created a positive family-orientated community that enables all children to thrive right from the start in Nursery."**

**"Leaders are ambitious for all pupils to experience excellent opportunities to develop their character and enrich their learning beyond the academic."**

**"The multi-academy trust has supported leaders to put in place an ambitious well sequenced curriculum. This effective curriculum supports pupils to learn new vocabulary and to connect with and remember previous learning".**

### Going concern

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

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Protecting the success of the Trust

The Trustees are aware of their duty under the Companies Act to act in a way most likely to promote the success of the Trust and the achievement of its charitable purposes and to have regard 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 business conduct
- the need to act fairly as between members of the company.

The charitable objects of the Trust are set out above and are primarily the advancement of education. The Trustees consider that the success of the Trust hinges on the standard of education provided within its schools and decisions are taken with the improvement of educational outcomes at the forefront of their minds.

#### **Financial review**

A surplus of funds of £73,046 (2022: £9,984,931) was achieved before recognising the movement in the pension fund in the year.

Whilst the actuarial pension reports for the Trust's local government pension schemes showed a combined pension asset of £1,828,000, a break-even position has been shown as there is insufficient evidence to conclude that the 'asset' may be available to reduce future payments.

The net movement in funds in the year, after recognising a £302,000 actuarial gain and a negative £1,828,000 pension asset ceiling adjustment, was a decline of £1,452,954.

Net assets of £50,562,757 (2022: £52,015,711) were carried forward into 2023/24.

Funding for the period was provided by ESFA by means of standard grants to cover operational and capital costs. Additional funds were received from letting facilities to third parties, local authorities to support pupils with higher needs and in respect of nursery provision. The Trust successfully applied to the Condition Improvement Fund and was awarded £1,141,118 of capital funding. The Trust has contributed £115,200 reserves towards these projects. Funding has been received/ accrued in this financial year. Due to delayed start of some projects, there is an amount shown as a capital commitment and this will be spent in 2023/24.

At 31 August 2023 cash funds of £2,502,410 were held in bank accounts for the Trust (2022: £2,713,476). These funds have largely been accumulated through a significant brought forward surplus, sustainable budget setting and good financial control and £1,050,000 is held in a higher interest deposit account.

#### Reserves policy

The Trustees review the reserve level annually and having determined an appropriate level of free reserves (total funds less the amount held in tangible assets, restricted and designated funds), that represents the amounts deemed to be necessary to deal with unexpected emergencies, whilst ensuring that excessive funds are not accumulated. The Trustees are satisfied that the reserves are sufficient for its current purposes but are aware of increasing cost pressures on schools.

The reserves as at 31 August 2023 amounted to £50,562,757 (2022: £52,015,711) which comprised primarily of restricted fixed asset reserves of £48,865,196 (2022: £48,510,868). The free reserves amounted to £1,244,826 (2022: £1,175,390). Restricted funds (excluding the pension reserve) amounted to £452,735 (2022: £633,453). Therefore, the Trust's restricted general funds plus unrestricted funds at 31 August 2023 amounted to £1,697,561 (2022: £1,808,843).

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Investment policy

Fixed term deposits will only be taken out where we are sure the funds will not be required during the duration of the term. The monies received by the Trust are largely public funds provided for the education of children. Consequently, the Trustees take a conservative view on the investment of any surpluses and funds will only be lodged with organisations with the highest possible credit rating. This takes the form of keeping such funds on deposit in interest bearing accounts. The object of this policy is to protect the funds that the Trust holds whilst taking opportunities to maximise them where possible.

#### Principal risks and uncertainties

The Trust maintains a risk register which is scrutinised by Finance, HR, Audit and Risk committee and the Educational Standards and School Performance Committee and also reviewed by the Trust board.

Each risk is allocated a risk value, based on likelihood and severity, and a control measure to minimise the risk. Through the risk management processes formalised within the Trust, the Trustees are satisfied that the major risks identified will be adequately mitigated where necessary.

The key controls used by the Trustees include:

- Formal agendas and minutes for all meetings of the Trustees and committees;
- Terms of reference for all committees;
- Comprehensive strategic planning, financial forecasting and management accounting;
- Established and identifiable organisational structures and reporting lines;
- Comprehensive formal written policies;
- Quality assurance and internal scrutiny to highlight concerns and identify mitigating actions;
- Clear authorisation limits;
- Construction and regular review of risk registers;
- Vetting procedures as required by law, for protection of the vulnerable.

The areas of highest risk are:

- The risk that a school is judged to be less than Good by Ofsted or the Trust's own quality assurance processes identifies weak curriculum or teaching. This risk is mitigated by the Trust's self evaluation and school improvement planning processes. Additional Trust resources can be deployed as required.
- The lack of on site facilities and the deterioration of the buildings at The Gatwick School due to the delay to the development of the site. The Trust is in regular dialogue with the DfE to highlight the impact on students and to press for the delivery of the necessary facilities.

#### Financial and risk management objectives and policies

The Trust reviews the financial position regularly to ensure resources are used effectively to deliver the best education to our pupils. Reserves are considered as part of budget setting to forward plan capital investment and align school staffing models to changes to pupil numbers and educational priorities.

#### **Fundraising**

The Trust undertakes a limited range of fundraising activities at the present time but it is an area of operating activity it seeks to develop. In some schools there is a separate parent organisation which fundraises for the school. The Trust is grateful for those who volunteer their time to support the schools in this way.

There were no fundraising complaints received in the year. All fundraising is voluntary and no unreasonably persistent approaches or undue pressure to donate are made.

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### Streamlined energy and carbon reporting

##### Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

##### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

##### Measures taken to improve energy efficiency

- Director of Estates will develop a Sustainability Strategy during 2024
- School energy assessments due Q1 2024 will include focus on awareness and behaviours
- LED lighting upgrades were installed at Heron Park Primary Academy and Glenleigh Park Primary during 2022/3. A further LED lighting review of all sites will commence Q4 2023
- Assessment of existing PV panels and feasibility of additional PV planned for Q2 2024
- Heating distribution upgrade projects at Glenleigh Park Primary and Oakwood Primary Academy are due to complete 2023 (via Condition Improvement Funding)

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	1,677,708	1,845,477
Energy consumption break down (kWh) <ul style="list-style-type: none"><li>• gas,</li><li>• electricity,</li><li>• transport fuel</li></ul>	1,045,988 592,662 39,058	1,228,580 564,031 52,866
<u>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</u> Gas consumption	190.96	225.03
<u>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</u> Purchased electricity	122.73	119.76
<u>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</u> Business travel in employee owned vehicles	9.08	10.44
Total gross emissions in metric tonnes CO <sub>2</sub> e	322.77	355.23
<u>Intensity ratio</u> Tonnes CO <sub>2</sub> e per pupil	0.107	0.115

##### Plans for future periods

The Trust is working on the following areas which will be further developed over the next 3 years:

- Growth of the Trust to include bringing new schools into the trust and increasing enrolment across all of the schools
- Improve operational efficiency through further centralisation, use of technology and better estates management
- Improving student outcomes through better use of data, school self evaluation and inspirational learning environments.

# AURORA ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### **Auditor**

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on ..20/12/2023.... and signed on its behalf by:

Mark Q Brunet  
Mark Q Brunet (Dec 20, 2023 12:48 GMT)

.....  
M Brunet  
Chair of Finance, Audit, Human Resources and Risk Committee

# AURORA ACADEMIES TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### Scope of responsibility

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

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 the Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

### Governance

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

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trustees have formally met five times during the year.

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

Trustees	Meetings attended	Out of possible
M J I Burnige (Chair) (Appointed 1 May 2023)	1	1
R Packard (Vice Chair)	4	5
M Brunet (Chair of Finance, Audit, Human Resources and Risk Committee)	5	5
S W Reeves (Chair of Educational Standards and School Performance Committee) (Appointed 14 December 2022)	3	4
M Szalay	5	5
A Nichols	4	5
B North	4	5
J Upton (Appointed 14 December 2022)	3	3
A Blaker QPM (Resigned 31 August 2023)	5	5
D Wootton CBE (Resigned 12 January 2023)	2	3
S Dawson (Resigned 28 September 2023)	4	5
J Meek (Appointed 28 June 2023 and resigned 28 September 2023)	0	0

### Conflicts of interest

During the year the Trust has continued to maintain an up to date and complete register of interests utilising this to monitor and manage any possible conflicts of interest.

To ensure good governance is in place, where necessary Trustees and Key management personnel are required to absent themselves where discussions and decisions are being made that would otherwise result in a conflict of interest.

# AURORA ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### Governance reviews

The Accounting Officer and Chairman regularly discuss risks as they arise and all Trustees are kept informed. The Scheme of Delegation clearly identifies responsibilities to ensure sufficient oversight of financial and key performance indicators. The sub-committees to maintain oversight include the Finance, Audit, HR and Risk committee and the Education Standards and School Performance committee. Monthly management accounts are scrutinised by the Executive team on a monthly basis and these are also shared with the Chairman and Chair of the Finance Committee.

The Finance, Audit, HR and Risk committee (FAHR) is a committee of the main board of Trustees. Its purpose is to;

- To ensure the Trust has strategic plans in place to deliver effective learning and teaching within the budget.
- To oversee and approve the trust's programme of internal scrutiny
- To ensure that risks are being addressed appropriately through internal scrutiny
- To report to the board on the adequacy of the trust's internal control framework, including financial and nonfinancial controls and management of risks.
- To review the staffing structure across the trust and its schools, as part of the annual budget review.
- To receive HR reports on staffing changes and any staffing issues, including sickness absence trends and corrective actions being taken.
- To review asset management plans for each school in the trust, covering premises and ICT equipment, to ensure that appropriate funding is available to maintain and improve the trust assets.

Members	Meetings attended	Out of possible
M Brunet (Chair)	6	6
B North	6	6
J Hodson	3	6
M Szalay	6	6
D May (Resigned 2 December 2022)	0	1
J Cornell (Appointed 7 December 2022)	3	4
J Upton (Appointed 21 December 2022 and resigned 12 June 2023)	2	4

The Educational Standards and School Performance Committee (ESSP) is a committee of the main board of Trustees. Its purpose is to;

- Ensure the continual improvement of educational standards in all Trust schools;
- Scrutinise internal and external data to monitor the academic performance of each Trust school;
- Hold the Director of Education and Standards to account for educational standards across the Trust;
- Ensure the self-evaluation of Trust schools is robust;
- Receive and consider reports from external advisors regarding Trust schools;
- Report to the board of trustees regarding academic standards in Trust schools

Attendance at ESSP committee meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
R Packard (Vice Chair)	4	4
S W Reeves (Chair of Educational Standards and School Performance Committee) (Appointed 14 December 2022)	3	3
A Nichols	0	4
D Wootton CBE (Resigned 12 January 2023)	1	1

The Director of Education is not a member of the committee and does not form part of the quorum but attends the meetings.

# AURORA ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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

As accounting officer, the Chief Executive Officer has the responsibility for ensuring that the 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the Trust has delivered improved value for money during the year by:

- Reviewing controls, managing risks and maintaining the Trust Risk Register with the Financial Director
- Considering the allocation of resources in line with academy development plans and in keeping with the Trust's strategic plan
- Benchmarking spending with that of similar Trusts operating within the region and nationally
- Regular CEO quality assurance meetings with Headteachers and LAB Chairs
- Deploying Trust staff effectively
- Regularly reviewing the quality of the curriculum provision and the quality of teaching and learning (examples being the introduction and implementation of common phonics and reading schemes into the Trust's schools, thereby ensuring group purchases to gain greater discounts)
- Working closely with the Trust Financial Director to ensure that best value is achieved through due process, while noting that the best value quote is not necessarily the cheapest quote

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 the Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Trustees.

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

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Finance, Audit, Human Resources and Risk Committee;
- 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.



# AURORA ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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The Trustees have appointed Kreston Reeves to perform internal scrutiny. An internal assurance programme has been established by the Trust that incorporates responses to these risk areas. This review of core controls forms part of the annual cycle of internal scrutiny.

Kreston Reeves delivered their schedule of work as planned, and performed a range of checks on the Trust's financial and HR systems.

The Trust also commissioned safeguarding reviews, health and safety audits and additional educational quality assurance visits.

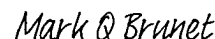
### **Review of effectiveness**

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 performance of extended assurance work and statutory audit work by the external auditor;
- the financial management and governance self-assessment process;
- the work of the Senior Management Team within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Trustees on 20/12/2023..... and signed on its behalf by:



Mark Q Brunet (Dec 20, 2023 12:48 GMT)

M Brunet

**Chair of Finance, Audit, Human Resources  
and Risk Committee**



J Freeston

**Chief Executive Officer (Accounting Officer)**

# AURORA ACADEMIES TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2023

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As accounting officer of Aurora Academies Trust, I have considered my responsibility to notify the 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, including for estates safety and management, under the funding agreement in place between the 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 2022, including responsibilities for estates safety and management.

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

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

*James Freeston*

**J Freeston**  
**Chief Executive Officer (Accounting Officer)**

22/12/2023  
.....

# AURORA ACADEMIES TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2023**

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The Trustees (who are also the directors of Aurora Academies Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

20/12/2023

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

Mark Q Brunet

Mark Q Brunet (Dec 20, 2023 12:48 GMT)

M Brunet

Chair of Finance, Audit, Human Resources and Risk Committee

# **AURORA ACADEMIES TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### **Opinion**

We have audited the accounts of Aurora Academies Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

### **Basis for opinion**

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

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

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

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

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

### **Other information**

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the 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 accounts 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.

# AURORA ACADEMIES TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2023**

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

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

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

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

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

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

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

### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

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

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

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

# AURORA ACADEMIES TRUST

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

### FOR THE YEAR ENDED 31 AUGUST 2023

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities Act 2011, the Academy Trust Handbook 2022, the Academies Accounts Direction 2022 to 2023, safeguarding prevent/protect, Ofsted, taxation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

#### **Audit response to risks identified**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the board of trustees;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with the ESFA and HMRC.

# AURORA ACADEMIES TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2023**

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

### Use of our report

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



**Stephen Meredith BA FCA DChA (Senior Statutory Auditor)**  
for and on behalf of Alliotts LLP

22/12/2023

.....

**Chartered Accountants**  
**Statutory Auditor**

Friary Court  
13-21 High Street  
Guildford  
Surrey  
GU1 3DL

# **AURORA ACADEMIES TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2023***

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In accordance with the terms of our engagement letter dated 25 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aurora Academies Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Aurora Academies Trust's funding agreement with the Secretary of State for Education dated 30 August 2012 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament 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 Trust's income and expenditure.



# AURORA ACADEMIES TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2023**

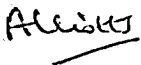
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The work undertaken to draw to our conclusion includes:

- analytical review of the Trust's general activities to ensure that they are within the Academy's framework of authorities;
- consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- review of the general control environment for the Trust on financial statements and on regularity;
- sample testing of expenditure transactions to ensure the activity is permissible within the Academy's framework of authority;
- confirmation that a sample of expenditure has been appropriately authorised in accordance with the Trust's delegated authorities;
- formal representations obtained from the Board of Trustees and the Accounting Officer acknowledging the responsibilities, including disclosing all non-compliance with laws and regulations specific to the authorising framework;
- confirmation that any extra-contractual payments such as severance and compensation payments have been appropriately authorised;
- review of credit card expenditure for any indication of personal use by staff, Chief Executive Officer or Trustees;
- review of specific terms of grant funding within the funding agreement;
- review of related party transactions for connections with the Chief Executive or Trustees;
- review of income received in accordance with the activities permitted within the Trust's charitable objectives.

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Reporting Accountant**  
Alliotts LLP

Dated: 22/12/2023 .....

# AURORA ACADEMIES TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	8,210	- 1,340,512	1,348,722	12,674,653
Charitable activities:					
- Funding for educational operations	4	-	18,541,259 -	18,541,259	17,281,512
Other trading activities	5	407,098	261,931 -	669,029	686,734
Investments	6	507	- -	507	435
<b>Total</b>		<b>415,815</b>	<b>18,803,190 1,340,512</b>	<b>20,559,517</b>	<b>30,643,334</b>
<b>Expenditure on:</b>					
Raising funds	7	4,735	- -	4,735	733
Charitable activities:					
- Educational operations	9	341,644	18,698,554 1,441,538	20,481,736	20,657,670
<b>Total</b>	7	<b>346,379</b>	<b>18,698,554 1,441,538</b>	<b>20,486,471</b>	<b>20,658,403</b>
<b>Net income/(expenditure)</b>		<b>69,436</b>	<b>104,636 (101,026)</b>	<b>73,046</b>	<b>9,984,931</b>
Transfers between funds	18	-	(455,354) 455,354	-	-
<b>Other recognised gains/(losses)</b>					
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(1,526,000) -	(1,526,000)	9,834,000
Revaluation of fixed assets	13	-	- -	-	(4,692,884)
<b>Net movement in funds</b>		<b>69,436</b>	<b>(1,876,718) 354,328</b>	<b>(1,452,954)</b>	<b>15,126,047</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,175,390	2,329,453 48,510,868	52,015,711	36,889,664
Total funds carried forward		1,244,826	452,735 48,865,196	50,562,757	52,015,711

# AURORA ACADEMIES TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	14,396	-	12,660,257	12,674,653
Charitable activities:					
- Funding for educational operations	4	-	17,281,512	-	17,281,512
Other trading activities	5	477,316	209,418	-	686,734
Investments	6	435	-	-	435
<b>Total</b>		<b>492,147</b>	<b>17,490,930</b>	<b>12,660,257</b>	<b>30,643,334</b>
<b>Expenditure on:</b>					
Raising funds	7	733	-	-	733
Charitable activities:					
- Educational operations	9	279,127	18,951,696	1,426,847	20,657,670
<b>Total</b>	7	<b>279,860</b>	<b>18,951,696</b>	<b>1,426,847</b>	<b>20,658,403</b>
<b>Net income/(expenditure)</b>		<b>212,287</b>	<b>(1,460,766)</b>	<b>11,233,410</b>	<b>9,984,931</b>
Transfers between funds	18	-	(335,177)	335,177	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	20	-	9,834,000	-	9,834,000
Revaluation of fixed assets	13	-	-	(4,692,884)	(4,692,884)
<b>Net movement in funds</b>		<b>212,287</b>	<b>8,038,057</b>	<b>6,875,703</b>	<b>15,126,047</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		963,103	(5,708,604)	41,635,165	36,889,664
Total funds carried forward		<b>1,175,390</b>	<b>2,329,453</b>	<b>48,510,868</b>	<b>52,015,711</b>

# AURORA ACADEMIES TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	47,422,742	45,669,698
<b>Current assets</b>			
Stock	14	5,123	2,779
Debtors	15	2,854,077	3,597,965
Cash at bank and in hand		2,502,410	2,713,476
		5,361,610	6,314,220
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	16	(2,221,595)	(1,664,207)
<b>Net current assets</b>		3,140,015	4,650,013
<b>Net assets excluding pension asset</b>		50,562,757	50,319,711
Defined benefit pension scheme asset	20	-	1,696,000
<b>Total net assets</b>		50,562,757	52,015,711
<b>Funds of the Trust:</b>			
<b>Restricted funds</b>	18		
- Fixed asset funds		48,865,196	48,510,868
- Restricted income funds		452,735	633,453
- Pension reserve		-	1,696,000
<b>Total restricted funds</b>		49,317,931	50,840,321
<b>Unrestricted income funds</b>	18	1,244,826	1,175,390
<b>Total funds</b>		50,562,757	52,015,711

The accounts on pages 24 to 54 were approved by the Trustees and authorised for issue on 20/12/2023 and are signed on their behalf by:

Mark Q Brunet  
Mark Q Brunet (Dec 20, 2023 12:48 GMT)

M Brunet  
Chair of Finance, Audit, Human Resources and  
Risk Committee

Company registration number 08107711 (England and Wales)

# AURORA ACADEMIES TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by/(used in) operating activities	22		1,642,497		(1,937,189)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		507		435	
Capital grants from DfE Group		1,340,512		3,371,550	
Purchase of tangible fixed assets		(3,194,582)		(1,444,199)	
<b>Net cash (used in)/provided by investing activities</b>			<b>(1,853,563)</b>		<b>1,927,786</b>
<b>Net decrease in cash and cash equivalents in the reporting period</b>			<b>(211,066)</b>		<b>(9,403)</b>
Cash and cash equivalents at beginning of the year			2,713,476		2,722,879
<b>Cash and cash equivalents at end of the year</b>			<b>2,502,410</b>		<b>2,713,476</b>

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 1 Accounting policies

Aurora Academies Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

##### 1.1 Basis of preparation

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

##### 1.2 Going concern

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

##### 1.3 Income

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

###### Grants

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

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

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

###### Sponsorship income

Sponsorship income provided to the Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the 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.

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 1 Accounting policies

(Continued)

##### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the 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 stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

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

#### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

#### 1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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.

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 1 Accounting policies

(Continued)

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

Freehold land and buildings	2% per annum
Leasehold land and buildings	2-5% per annum
Computer equipment	33% per annum
Fixtures, fittings & equipment	14-20% per annum

Depreciation is charged from the month of acquisition.

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

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

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

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

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

##### Financial liabilities

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

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

#### 1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.



# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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### 1 Accounting policies

(Continued)

#### 1.10 Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.11 Pensions benefits

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

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

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

#### 1.12 Fund accounting

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

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

Restricted income funds comprise all other grants received from the Education and Skills Funding Agency/ Department for Education.

Restricted other funds comprise all other restricted funds received and include grants from the local authorities, East Sussex County Council, West Sussex County Council, Surrey County Council and Brighton and Hove Council.

### 2 Critical accounting estimates and areas of judgement

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

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 2 Critical accounting estimates and areas of judgement

(Continued)

##### Critical accounting estimates and assumptions

The 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 asset/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 20, will impact the carrying amount of the pension asset/liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The values attributable to properties donated to the academy trust are initially recognised based on an independent professional valuation. The property's condition, the nature of educational use, and the geographical location are taken into consideration in estimating the value.

The estimates of useful economic lives of tangible fixed assets used to determine the annual depreciation charge.

##### Critical areas of judgement

There were no areas of judgement that had a significant effect on the amounts recognised in the financial statements.

#### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Donated fixed assets	-	-	-	9,288,707
Capital grants	-	1,340,512	1,340,512	3,371,550
Other donations	8,210	-	8,210	14,396
	<u>8,210</u>	<u>1,340,512</u>	<u>1,348,722</u>	<u>12,674,653</u>

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 4 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	14,733,152	14,733,152	13,770,387
Other DfE/ESFA grants:				
- Pupil premium	-	1,545,477	1,545,477	1,396,153
- Start up grants	-	-	-	5,750
- Others	-	1,022,014	1,022,014	757,719
	-	17,300,643	17,300,643	15,930,009
<b>Other government grants</b>				
Local authority grants	-	1,240,616	1,240,616	1,351,503
<b>Total funding</b>	-	18,541,259	18,541,259	17,281,512

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Lettings income	41,901	-	41,901	57,943
Catering income	-	93,785	93,785	97,333
Other income	365,197	168,146	533,343	531,458
	407,098	261,931	669,029	686,734

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Short term deposits	507	-	507	435

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2023 £	Total 2022 £
Expenditure on raising funds					
- Direct costs	-	-	4,735	4,735	733
Academy's educational operations					
- Direct costs	11,518,194	-	1,390,518	12,908,712	12,410,242
- Allocated support costs	3,550,596	2,643,751	1,378,677	7,573,024	8,247,428
	<u>15,068,790</u>	<u>2,643,751</u>	<u>2,773,930</u>	<u>20,486,471</u>	<u>20,658,403</u>
<b>Net income/(expenditure) for the year includes:</b>				<b>2023</b> £	<b>2022</b> £
Operating lease rentals				37,168	32,982
Depreciation of tangible fixed assets				1,441,538	1,335,150
Loss on disposal of fixed assets				-	91,697
Fees payable to auditor for:					
- Audit				23,660	21,510
- Other services				10,290	9,360
Net interest on defined benefit pension liability				(76,000)	115,000

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 8 Central services

The Trust has provided central services to its academies during the year. The Trust charges for its central services based on the expected costs of providing these services to each academy.

The 2022/23 annual charges equate to an average of 5.5% of income (excluding donations and capital grants).

The recharge is reviewed as part of the annual budget planning process to ensure the central offer is effectively supporting schools. The central charge includes the following services:

- The Trust central team provides strategic development, school improvement and leadership support for educational and business functions to ensure effective and efficient use of resources and raise teaching and learning standards.
- Internal and External quality assurance (Educational, Financial, Safeguarding and Health & Safety)
- Trust Governance Manager, Local Academy Board clerking service
- Legal advice, Data Protection Officer and GDPR advice
- Management of the Trust risk register
- Trust Safeguarding lead and annual safeguarding training delivered in-house
- Trust suite of policies
- Professional support for Estates Strategy, including Condition Improvement Fund bids, capital planning and condition surveys.
- External audit and completion of statutory returns
- Contract management and procurement (catering, ICT)
- Financial, safeguarding and MIS systems
- Financial advice and management of reserves
- HR Manager to support schools and develop the Trust People Strategy
- Payroll management
- Opportunity for international Teacher exchange
- CPD and support for Local Academy Board forums and annual LAB conference
- Heads and Business manager network meetings
- 3 Trust wide INSET days for senior leaders.
- Professional Qualifications supported and funded via Apprenticeship levy
- Curriculum development for foundation subjects and subject lead networks
- Trust Phonics and Reading schemes including training.
- School development fund for in year improvements/ specific projects

The amounts charged during the year were as follows:

	2023 £	2022 £
Glenleigh Park Primary Academy	122,740	154,200
King Offa Primary Academy	139,184	154,200
Oakwood Primary Academy	111,258	154,200
Heron Park Primary Academy	123,270	154,200
The Gatwick School	343,533	260,000
City Academy Whitehawk	158,800	156,600
Westvale Park Primary Academy	58,112	70,000
	<u>1,056,897</u>	<u>1,103,400</u>

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>Direct costs</b>				
Educational operations	257,538	12,651,174	12,908,712	12,410,242
<b>Support costs</b>				
Educational operations	84,106	7,488,918	7,573,024	8,247,428
	<u>341,644</u>	<u>20,140,092</u>	<u>20,481,736</u>	<u>20,657,670</u>
			<b>2023</b>	<b>2022</b>
			£	£
<b>Analysis of support costs</b>				
Support staff costs			3,668,757	4,521,309
Depreciation			1,441,538	1,426,847
Technology costs			313,961	232,609
Premises costs			1,202,213	1,004,946
Legal costs			31,283	24,341
Other support costs			874,927	999,756
Governance costs			40,345	37,620
			<u>7,573,024</u>	<u>8,247,428</u>

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2023 £	2022 £
Wages and salaries	10,693,111	10,484,803
Social security costs	1,024,994	968,991
Pension costs	2,545,897	3,482,813
Staff costs - employees	14,264,002	14,936,607
Agency staff costs	787,469	608,910
Staff restructuring costs	17,319	118,257
	15,068,790	15,663,774
Staff development and other staff costs	118,161	103,566
Total staff expenditure	15,186,951	15,767,340
Staff restructuring costs comprise:		
Severance payments	17,319	86,806
Other restructuring costs	-	31,451
	17,319	118,257

#### Severance payments

The Trust paid 1 severance payment in the year, disclosed in the following bands:

£0 - £25,000	1
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#### Special staff severance payments

Special staff severance payments are amounts paid to employees outside of statutory and contractual requirements. There is one special severance payment of £17,319.

#### Staff numbers

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

	2023 Number	2022 Number
Teachers	139	129
Administration and support	246	250
Management	32	32
	417	411

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 10 Staff

(Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

	2023 Number	2022 Number
Teachers	127	123
Administration and support	170	156
Management	30	31
	<u>327</u>	<u>310</u>

#### Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	4	3
£70,001 - £80,000	5	2
£80,001 - £90,000	-	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	3
£110,001 - £120,000	1	-
	<u>1</u>	<u>7</u>

#### Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £344,568 (2022: £560,943).

#### 11 Trustees' remuneration and expenses

No trustees received remuneration from the Trust in respect of their role as trustees.

During the year, no travel and subsistence payments were reimbursed or paid directly to Trustees (2022: £nil).

#### 12 Trustees' and officers' insurance

The Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.



# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>					
At 1 September 2022	12,470,000	43,994,315	1,367,260	1,731,198	59,562,773
Additions	-	3,063,054	71,437	60,091	3,194,582
At 31 August 2023	12,470,000	47,057,369	1,438,697	1,791,289	62,757,355
<b>Depreciation</b>					
At 1 September 2022	5,710,884	5,730,519	1,170,381	1,281,291	13,893,075
Charge for the year	-	1,178,429	121,716	141,393	1,441,538
At 31 August 2023	5,710,884	6,908,948	1,292,097	1,422,684	15,334,613
<b>Net book value</b>					
At 31 August 2023	6,759,116	40,148,421	146,600	368,605	47,422,742
At 31 August 2022	6,759,116	38,263,796	196,879	449,907	45,669,698

### 14 Stock

	2023 £	2022 £
Stock	5,123	2,779

### 15 Debtors

	2023 £	2022 £
Trade debtors	24,776	52,774
VAT recoverable	169,877	340,009
Other debtors	43,407	35,604
Prepayments and accrued income	2,616,017	3,169,578
	2,854,077	3,597,965

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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

	2023 £	2022 £
Trade creditors	292,657	647,263
Other taxation and social security	239,330	-
Other creditors	269,756	74,553
Accruals and deferred income	1,419,852	942,391
	<u>2,221,595</u>	<u>1,664,207</u>

#### 17 Deferred income

	2023 £	2022 £
Deferred income is included within:		
Creditors due within one year	<u>417,641</u>	<u>250,241</u>
Deferred income at 1 September 2022	250,241	318,824
Released from previous years	(250,241)	(318,824)
Resources deferred in the year	<u>417,641</u>	<u>250,241</u>
Deferred income at 31 August 2023	<u>417,641</u>	<u>250,241</u>

At the balance sheet date the Trust was holding funds received in advance for the following grants: Universal Infant Free School Meals, School Led Tutoring, Early Career Teacher, Special Educational Needs and Physical Education.

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 18 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	633,453	14,733,152	(14,458,516)	(455,354)	452,735
Pupil premium	-	1,545,477	(1,545,477)	-	-
Other DfE/ESFA grants	-	1,022,014	(1,022,014)	-	-
Other government grants	-	1,240,616	(1,240,616)	-	-
Other restricted funds	-	261,931	(261,931)	-	-
Pension reserve	1,696,000	-	(170,000)	(1,526,000)	-
	<u>2,329,453</u>	<u>18,803,190</u>	<u>(18,698,554)</u>	<u>(1,981,354)</u>	<u>452,735</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	17,111,000	-	-	-	17,111,000
DfE group capital grants	21,007,432	1,340,512	(1,441,538)	-	20,906,406
Capital expenditure from GAG	1,103,729	-	-	455,354	1,559,083
Local authority capital sponsorship	9,288,707	-	-	-	9,288,707
	<u>48,510,868</u>	<u>1,340,512</u>	<u>(1,441,538)</u>	<u>455,354</u>	<u>48,865,196</u>
<b>Total restricted funds</b>	<u>50,840,321</u>	<u>20,143,702</u>	<u>(20,140,092)</u>	<u>(1,526,000)</u>	<u>49,317,931</u>
<b>Unrestricted funds</b>					
General funds	<u>1,175,390</u>	<u>415,815</u>	<u>(346,379)</u>	<u>-</u>	<u>1,244,826</u>
<b>Total funds</b>	<u>52,015,711</u>	<u>20,559,517</u>	<u>(20,486,471)</u>	<u>(1,526,000)</u>	<u>50,562,757</u>

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### 18 Funds

(Continued)

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

#### **General annual grant**

This includes all monies received from the ESFA to carry out the objectives of the Trust. It includes the School Budget Share. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

#### **Pension reserve**

This represents the reserve in respect of the LGPS defined benefit pension scheme.

#### **Other DfE/ESFA grants**

Other grants include funding received from the DfE and ESFA for specific purposes.

#### **Fixed asset funds**

The fixed asset fund includes grants received from the DfE and other sources to finance the development and building of the academy and other tangible fixed assets, and the annual charges for depreciation of these assets.

#### **Unrestricted funds**

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

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 18 Funds

(Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	846,308	13,770,387	(13,648,065)	(335,177)	633,453
Start up grants	-	5,750	(5,750)	-	-
Pupil premium	-	1,396,153	(1,396,153)	-	-
Catch-up premium	127,088	-	(127,088)	-	-
Other DfE/ESFA grants	-	757,719	(757,719)	-	-
Other government grants	-	1,351,503	(1,351,503)	-	-
Other restricted funds	-	209,418	(209,418)	-	-
Pension reserve	(6,682,000)	-	(1,456,000)	9,834,000	1,696,000
	<u>(5,708,604)</u>	<u>17,490,930</u>	<u>(18,951,696)</u>	<u>9,498,823</u>	<u>2,329,453</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	17,111,000	-	-	-	17,111,000
DfE group capital grants	23,755,613	3,371,550	(1,426,847)	(4,692,884)	21,007,432
Capital expenditure from GAG	768,552	-	-	335,177	1,103,729
Local authority capital sponsorship	-	9,288,707	-	-	9,288,707
	<u>41,635,165</u>	<u>12,660,257</u>	<u>(1,426,847)</u>	<u>(4,357,707)</u>	<u>48,510,868</u>
<b>Total restricted funds</b>	<u>35,926,561</u>	<u>30,151,187</u>	<u>(20,378,543)</u>	<u>5,141,116</u>	<u>50,840,321</u>
<b>Unrestricted funds</b>					
General funds	<u>963,103</u>	<u>492,147</u>	<u>(279,860)</u>	<u>-</u>	<u>1,175,390</u>
<b>Total funds</b>	<u>36,889,664</u>	<u>30,643,334</u>	<u>(20,658,403)</u>	<u>5,141,116</u>	<u>52,015,711</u>

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 18 Funds

(Continued)

##### Total funds analysis by academy

	2023	2022
	£	£
Fund balances at 31 August 2023 were allocated as follows:		
Glenleigh Park Primary Academy	-	575,884
King Offa Primary Academy	-	448,934
Oakwood Primary Academy	-	219,591
Heron Park Primary Academy	-	35,065
The Gatwick School	-	72,585
City Academy Whitehawk	-	334,915
Westvale Park Primary Academy	-	74,346
Central services	1,697,561	47,523
Total before fixed assets fund and pension reserve	1,697,561	1,808,843
Restricted fixed asset fund	48,865,196	48,510,868
Pension reserve	-	1,696,000
Total funds	50,562,757	52,015,711

During the year, the Trust has implemented a reserve pooling policy. All unspent funds are now held centrally by the Trust.

##### Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2023	Total 2022
	£	£	£	£	£	£
Glenleigh Park Primary Academy	1,285,909	420,530	126,180	277,490	2,110,109	1,978,242
King Offa Primary Academy	1,509,287	375,639	122,292	312,672	2,319,890	2,274,084
Oakwood Primary Academy	1,168,868	355,325	94,567	282,516	1,901,276	1,956,980
Heron Park Primary Academy	1,230,127	406,137	92,005	268,324	1,996,593	1,989,203
The Gatwick School	3,714,442	695,294	584,719	757,910	5,752,365	5,082,023
City Academy Whitehawk	1,573,675	627,877	80,777	241,518	2,523,847	2,427,675
Westvale Park Primary Academy	732,380	229,140	85,952	197,910	1,245,382	896,590
Central services	339,440	276,882	79,093	330,057	1,025,472	1,170,965
	11,554,128	3,386,824	1,265,585	2,668,397	18,874,934	17,775,762

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2023 are represented by:</b>				
Tangible fixed assets	-	-	47,422,742	47,422,742
Current assets	1,244,826	2,674,330	1,442,454	5,361,610
Current liabilities	-	(2,221,595)	-	(2,221,595)
<b>Total net assets</b>	<b>1,244,826</b>	<b>452,735</b>	<b>48,865,196</b>	<b>50,562,757</b>
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	-	-	45,669,698	45,669,698
Current assets	1,175,390	2,297,660	2,841,170	6,314,220
Current liabilities	-	(1,664,207)	-	(1,664,207)
Pension scheme asset	-	1,696,000	-	1,696,000
<b>Total net assets</b>	<b>1,175,390</b>	<b>2,329,453</b>	<b>48,510,868</b>	<b>52,015,711</b>

### 20 Pension and similar obligations

The 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 East Sussex County Council and West Sussex County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £257,670 were payable to the schemes at 31 August 2023 (2022: £63,284) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. 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.

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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### 20 Pension and similar obligations

(Continued)

#### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,498,307 (2022: £1,419,476).

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

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



# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 20 Pension and similar obligations

(Continued)

#### Local Government Pension Scheme

Defined benefit pension scheme (Combined total of both schemes)	2023 £	2022 £
Scheme assets	11,915,000	13,290,000
Scheme obligations	(11,915,000)	(11,594,000)
	-	1,696,000

#### East Sussex County Council Pension Fund

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed employer contribution rates for future years are 19.4% and tiered contribution rates for employees, dependent on their remuneration.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2023 £	2022 £
Employer's contributions	642,000	526,000
Employees' contributions	203,000	168,000
Total contributions	845,000	694,000

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	3.90	2.95
Rate of increase for pensions in payment/inflation	2.90	2.95
Discount rate for scheme liabilities	5.30	4.25

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 20 Pension and similar obligations

(Continued)

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

	2023 Years	2022 Years
Retiring today		
- Males	20.9	21.2
- Females	23.8	23.8
Retiring in 20 years		
- Males	21.9	22.1
- Females	25.3	25.1

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

	2023	2022
Discount rate + 0.1%	(222,000)	(258,000)
Discount rate - 0.1%	229,000	265,000
Mortality assumption + 1 year	307,000	329,000
Mortality assumption - 1 year	(299,000)	(319,000)
CPI rate + 0.1%	221,000	249,000
CPI rate - 0.1%	(215,000)	(243,000)

#### Defined benefit pension scheme net asset

	2023 £	2022 £
Scheme assets	11,013,000	12,174,000
Scheme obligations	(11,013,000)	(10,490,000)
Net asset	-	1,684,000

#### The Trust's share of the assets in the scheme

	2023 Fair value £	2022 Fair value £
Equities	9,702,000	8,978,000
Bonds	1,775,000	1,834,000
Property	897,000	1,064,000
Other assets	183,000	298,000
FRS 102 Asset ceiling	(1,544,000)	
Total market value of assets	11,013,000	12,174,000

The actual return on scheme assets was a loss of £230,000 (2022: gain £161,000)

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 20 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2023 £	2022 £
Current service cost	855,000	1,616,000
Past service cost	-	1,000
Interest income	(522,000)	(188,000)
Interest cost	446,000	284,000
Total operating charge	779,000	1,713,000

Changes in the present value of defined benefit obligations	2023 £	2022 £
At 1 September 2022	10,490,000	17,282,000
Current service cost	855,000	1,616,000
Interest cost	446,000	284,000
Employee contributions	203,000	168,000
Actuarial gain	(789,000)	(8,567,000)
Benefits paid	(192,000)	(294,000)
Past service cost	-	1,000
At 31 August 2023	11,013,000	10,490,000

Changes in the fair value of the Trust's share of scheme assets	2023 £	2022 £
At 1 September 2022	12,174,000	11,613,000
Interest income	522,000	188,000
Actuarial loss	(792,000)	(27,000)
Employer contributions	642,000	526,000
Employee contributions	203,000	168,000
Benefits paid	(192,000)	(294,000)
FRS102 Asset ceiling	(1,544,000)	-
At 31 August 2023	11,013,000	12,174,000

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 20 Pension and similar obligations

(Continued)

The actuarial report for the East Sussex local government pension scheme at 31 August 2023 shows a pension asset of £1,544,000 at the same date.

We have not recognised the pension asset as a positive position but have instead shown a break-even position as there is insufficient evidence to conclude that the 'asset' may be available to reduce future payments.

An asset should only be recognised to the extent that the Trust is able to recover the surplus either through reduced contribution in the future or refunds from the plan.

We have made further disclosure in the Trustees Report and in the note on judgements to adequately reflect this.

#### Local Government Pension Scheme

##### West Sussex County Council Pension Fund

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed employer contribution rates for future years are 20.9% and tiered contribution rates for employees, dependent on their remuneration

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2023 £	2022 £
Employer's contributions	170,000	135,000
Employees' contributions	49,000	39,000
Total contributions	219,000	174,000
Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	4.45	3.55
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	5.20	4.25

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 20 Pension and similar obligations

(Continued)

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

	2023 Years	2022 Years
Retiring today		
- Males	21.60	21.90
- Females	24.70	24.20
Retiring in 20 years		
- Males	21.80	22.80
- Females	25.20	25.90

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

	2023	2022
Discount rate + 0.1%	(28,000)	(35,000)
Discount rate - 0.1%	28,000	35,000
Mortality assumption + 1 year	36,000	44,000
Mortality assumption - 1 year	(36,000)	(44,000)
CPI rate + 0.1%	28,000	36,000
CPI rate - 0.1%	(28,000)	(36,000)

#### Defined benefit pension scheme net asset

	2023 £	2022 £
Scheme assets	902,000	1,116,000
Scheme obligations	(902,000)	(1,104,000)
Net asset	-	12,000

#### The Trust's share of the assets in the scheme

	2023 Fair value £	2022 Fair value £
Equities	628,000	547,000
Bonds	368,000	357,000
Property	166,000	179,000
Other assets	24,000	33,000
FRS 102 Asset ceiling	(284,000)	
Total market value of assets	902,000	1,116,000

The actual return on scheme assets was a £nil (2021: loss £18,000)

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 20 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2023 £	2022 £
Current service cost	203,000	385,000
Interest income	(52,000)	(17,000)
Interest cost	52,000	36,000
Total operating charge	203,000	404,000
Changes in the present value of defined benefit obligations	2023 £	2022 £
At 1 September 2022	1,104,000	1,974,000
Current service cost	203,000	385,000
Interest cost	52,000	36,000
Employee contributions	49,000	39,000
Actuarial gain	(500,000)	(1,329,000)
Benefits paid	(6,000)	(1,000)
At 31 August 2023	902,000	1,104,000
Changes in the fair value of the Trust's share of scheme assets	2023 £	2022 £
At 1 September 2022	1,116,000	961,000
Interest income	52,000	17,000
Actuarial loss	(195,000)	(35,000)
Employer contributions	170,000	135,000
Employee contributions	49,000	39,000
Benefits paid	(6,000)	(1,000)
FRS 102 Asset ceiling	(284,000)	-
At 31 August 2023	902,000	1,116,000

The actuarial report for the West Sussex local government pension scheme at 31 August 2023 shows a pension asset of £284,000 at the same date.

We have not recognised the pension asset as a positive position but have instead shown a break-even position as there is insufficient evidence to conclude that the 'asset' may be available to reduce future payments.

An asset should only be recognised to the extent that the Trust is able to recover the surplus either through reduced contribution in the future or refunds from the plan.

We have made further disclosure in the Trustees Report and in the note on judgements to adequately reflect this.

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 21 Analysis of changes in net funds

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash	2,713,476	(211,066)	2,502,410

#### 22 Reconciliation of net income to net cash flow from operating activities

	Notes	2023 £	2022 £
Net income for the reporting period (as per the statement of financial activities)		73,046	9,984,931
Adjusted for:			
Capital grants from DfE and other capital income		(1,340,512)	(12,660,257)
Investment income receivable	6	(507)	(435)
Defined benefit pension costs less contributions payable	20	246,000	1,341,000
Defined benefit pension scheme finance (income)/cost	20	(76,000)	115,000
Depreciation of tangible fixed assets		1,441,538	1,335,150
Loss on disposal of fixed assets		-	91,697
(Increase) in stocks		(2,344)	(2,779)
Decrease/(increase) in debtors		743,888	(2,507,101)
Increase in creditors		557,388	365,605
<b>Net cash provided by/(used in) operating activities</b>		<b>1,642,497</b>	<b>(1,937,189)</b>

#### 23 Long-term commitments

##### Operating leases

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

	2023 £	2022 £
Amounts due within one year	31,422	30,480
Amounts due in two and five years	58,807	73,493
	<b>90,229</b>	<b>103,973</b>

#### 24 Capital commitments

	2023 £	2022 £
Expenditure contracted for but not provided in the accounts	1,643,643	2,818,081

# AURORA ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### **25 Related party transactions**

Owing to the nature of the Trust's operations and the composition of the board of trustees potentially being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

No related party transaction took place in the period of account.

### **26 Members' liability**

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