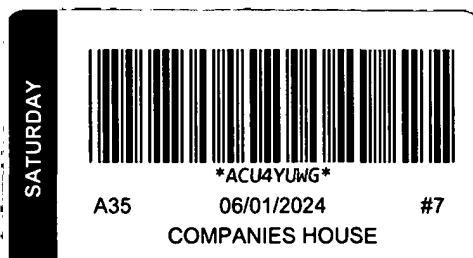


Company Registration Number: 08681270 (England & Wales)

ACE LEARNING
(A company limited by guarantee)

Annual report and financial statements
for the year ended 31 August 2023



ACE LEARNING
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	C Wilson S Taylor R Fever M Procyshyn J Brown
Trustees	P G Spragg, Chair of Trustees E Rossiter (Resigned 2 February 2023) J Yeomans (Appointed 11 September 2023) T Dada A Fletcher, Vice Chair M Groombridge (Resigned 10 May 2023) G Hollamby C Wilding (resigned 6 October 2023) R Imeson N McClure (Resigned 13 December 2022) J Macey (Appointed 1 September 2022)
Company registered number	08681270
Company name	ACE Learning
Principal and registered office	Reed Crescent Park Farm Ashford Kent TN23 3PA
Company secretary	V Wallington
Senior management team	P Ketley, CEO J Ronayne, Director of Education (appointed 1 September 2022) E Collip, Head of School (Furley Park) H Glancy, Head of School (Hamstreet) V Wallington, COO J Owen, CFO
Independent auditors	Xeinadin Audit Limited Chartered Accountants Statutory Auditor 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Lloyds Bank PLC 29 Bank Street Ashford Kent TN24 8SS

ACE LEARNING
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Trustees' report
for the year ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditors' 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 and strategic report under company law.

The Academy Trust operates academies for pupils aged 4 to 11 serving a catchment area in Park Farm, Ashford and Hamstreet in Kent.

Furley Park Primary Academy has a pupil capacity of 630 and had a roll of 577.

Hamstreet Primary Academy has a pupil capacity of 315 and had a roll of 269.

Both in the school census on 18 May 2023.

Structure, governance and management

a. Constitution

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

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

The Trustees of ACE Learning are also the directors of the charitable company for the purposes of company law.

The charitable company operates as ACE Learning.

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.

b. Members' liability

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

c. Trustees' indemnities

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

ACE LEARNING
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Trustees' report (continued)
for the year ended 31 August 2023

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

In accordance with the articles the number of trustees shall not be less than three but shall not be subject to a maximum. The academy trust can have up to 12 Trustees who can be appointed by the Members. Members are permitted to appoint trustees through such process as they may determine. The total number of trustees who are employees of the academy trust shall not exceed one third of the total number. The term of office for any trustee is four years.

Members of the academy trust are defined as the signatories to the Memorandum and any person appointed by the Members by passing a special resolution in writing to appoint additional Members.

The articles allow for the election of 2 parent trustees. When a vacancy arises a trust wide election process is undertaken whereby parents self nominate and, should more parents self-nominate than the number of available vacancies then parental voting takes place, by ballot, Parent trustees are encouraged to apply to fill skill vacancies on the Board but this is not a pre-requisite for nomination.

Trustees may also appoint co-opted trustees.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new trustees will depend on their existing experience. All new trustees will be given a tour of the academies and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees using the cloud based Governorhub portal. The academy trust purchases trustee training externally and induction tends to be done informally and is tailored specifically to the individual.

f. Organisational structure

The structure consists of three levels: the Trustees, Local Advisory Board and Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Local Advisory Boards are responsible for monitoring the school improvement plan and monitoring the performance of their local Academy and community engagement.

The Senior Leadership Team is split between the central executive team and the individual academy leadership teams. Day to day management of the academies is undertaken by the Head of School supported by their Senior Leadership Teams. The executive team, comprising the Chief Executive Officer (Accounting Officer), Education Director, Chief Operating Officer and Chief Financial Officer, provide centralised leadership and support to enable the Heads of School to concentrate on the delivery of the trust and academy vision for pupils within their individual academies.

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

The Academy trust has adopted the national pay scales and ranges for teachers, including the non-statutory points for leaders. Leaders are assigned pay ranges upon appointment encompassing a number of points. Their salary is increased through the range following successful annual performance management until they reach the top of the range. The ranges are calculated with reference to the pupil numbers guidance in the School Teachers Pay and Conditions Document (STPCD).

ACE LEARNING
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Trustees' report (continued)
for the year ended 31 August 2023

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total pay bill	3,752,938
Percentage of 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	- %
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i. Related parties and other connected charities and organisations

There are no related parties which either control or significantly influence the decisions and operations of ACE Learning other than those detailed below.

J Macey (trustee) is also a trustee of Hamstreet School Association which provides donations to Hamstreet Primary Academy and Highways at Hamstreet which purchases catering supplies from Hamstreet Primary Academy.

R Imeson (trustee) is also a Trustee of Furley Park PTA which provides donations to Furley Park Primary Academy.

P Ketley (CEO) is a Director of Blue Phoenix Productions Ltd which hires the Furley Park Primary Academy hall for rehearsals, paying full market rent. The Furley Park PTA arranged for the pupils at Furley Park to attend a Blue Phoenix production (at a different venue) and were charged direct by the theatre company at a fixed, at cost, rate. Neither Mr Ketley, nor any related party, received remuneration from this arrangement.

ACE LEARNING
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Trustees' report (continued)
for the year ended 31 August 2023

Objectives and activities

a. Objects and aims

The principal activity of ACE Learning is to provide an outstanding free education to children aged 4-11 years. There is a long tradition of providing the highest quality of education to meet the needs of every child and enable them to achieve their personal best. Funding is obtained from the Department of Education (DFE) through the Education Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

b. Objectives, strategies and activities

ACE Learning will support local communities in the education of children to develop respect for themselves, each other, their families, and the environment. At ACE Learning our vision is to offer a rich, broad and balanced curriculum which provides pupils with a first class, exciting and creative experience. We will develop thoughtful and responsible young people with high self-esteem and with the motivation, skills and knowledge to succeed in life.

At ACE Learning we aim to provide a safe, caring, supportive and stimulating environment with high quality teaching to achieve:

- A high level of literacy and numeracy;
- Independent young people who are confident, flexible and able to cooperate with others;
- A high level computing and technological competence;
- Imagination and creative expression through a wide range of media;
- Conscientious young citizens who are tolerant and respect others' values;
- Effective links between the school, the home and the community;
- Equality of opportunity for all;
- Celebration and humour – we feel good about ourselves!

We want ACE Learning to be the best place for the children who come to learn; where they are supported by adults who are positive and show a love for learning; where we dare to be bold and different!

All who work at the academy believe that it is vital that we are all responsible for improving the basic skills of all children and we are here to support the raising of standards for everyone.

ACE Learning is a community multi-academy trust which is currently comprised of 2 schools -
Furley Park Primary Academy
Hamstreet Primary Academy

The trust has developed a Central Executive Team to enable the school leadership teams to focus on the quality of education and nurture of the children in their communities. A new Director of Education was recruited with effect from 1 September 2022 to support the school leaders and provide support and challenge to improve outcomes and practice. This has ensured that the recent section 5 Ofsted visit at Hamstreet Primary Academy resulted in a 'Good' judgement.

The Central Executive Team works to support each school to ensure that it has secure and robust financial and resource management and that the academy estates are maintained effectively and are safe for all. We aim to reduce bureaucracy and simplify systems to reduce staff workload.

Our trust values – Aspire, Create, Excel – underpin all our practice and we encourage all in our trust community to be the best they can.

c. Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

ACE LEARNING
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Trustees' report (continued)
for the year ended 31 August 2023

Strategic report

Achievements and performance

a. Key performance indicators

The current Ofsted judgements for the academies within the trust are as follows:

- Furley Park Primary Academy Requires Improvement (July 2022)
- Hamstreet Primary Academy Good (May 2023)

The Trustees agreed that the following financial key performance indicators would apply to the trust for 2022/23:

1. All statutory ESFA/DFE returns are submitted on time
2. Audit reports indicate financial systems are compliant/fit for purpose
3. Year end reserves should equate to 1/12 of trust income
4. Staffing costs are less than 80% of trust expenditure

Targets will be reviewed and amended as necessary for future periods to ensure ambitious targets are set to improve outcomes.

Outcomes

Key 2023 Outcomes	Trust Average (%)	Unvalidated National Average (%)
Foundation Stage Profile GLD	75.05	Released in November 2023
Phonics Screening Check (PSC)	75.9	75.9
Multiplication Tables Check	35.75	32
Key Stage 1:		
KS1 Expected Standard (EXS) Rdg	70.6	68
KS1 EXS Wtg	68	59.4
KS1 EXS Maths	72.6	70.3
KS1 Greater Depth (GDS) Rdg	21.7	18
KS1 GDS Wtg	10.9	7.5
KS1 GDS Maths	21.6	15.6
Key Stage 2:		
KS2 (Key Stage 2) RWM combined EXS	52.5	59
KS2 RWM combined GDS	10.1	8
KS2 Rdg EXS	67.9	73
KS2 Rdg GDS	25.4	Not available
KS2 Wtg EXS	72.1	71
KS2 Wtg GDS	17.55	Not available
KS2 Maths EXS	69.6	73
KS2 Maths GDS	23.15	Not available

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Trustees' report (continued)
for the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

Most of the academy trust's income is obtained from the Education Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Kent County Council Local Government Pension Fund, in which the Academy participates, showed a balance of £Nil (2022: deficit of £720k) at 31 August 2023. Of this sum, £1,018k was inherited by the academy trust from Kent County Council on 1 November 2013, the date the local authority's staff transferred to employment with the academy trust.

a. Reserves policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of unrestricted reserves should be £385k (2022: £406k), approximately equivalent to one twelve of income received.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of unrestricted reserves of £454k (2022: £442k) (total funds less the amount held in fixed assets and restricted funds). The Trustees expect the excess of general unrestricted funds to reduce in the coming year.

The Academy held fund balances at 31 August 2023 of £9,339k (2022: £8,691k) comprising £8,884k (2022: £8,249k) of restricted funds and £454k (2022: £442k) of unrestricted general funds. Of the restricted funds £8,860k (2022: £8,962k) is represented by tangible fixed assets. The pension reserve which is considered part of restricted funds was £Nil (2022: £720k) in deficit.

b. Investment policy

Under the Memorandum and Articles of Association, the academy trust has the power to invest funds not immediately required for its own purposes, in any way the trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis. At present all funds are available to withdraw on demand.

ACE LEARNING
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Trustees' report (continued)
for the year ended 31 August 2023

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The top ten risks have been identified and kept under review throughout the year. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Trustees have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls.

The main risks that the Academy Trust faces are:

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Trustees' report (continued)
for the year ended 31 August 2023

Risk	Mitigation/monitoring
<i>Strategic and reputational risks</i>	
Unfavourable Ofsted outcome at an academy	School improvement plan. Monitoring by Education Director, Head of School and Local Advisory Board
Failure to recruit sufficient pupils	Strong admissions policy, marketing, local outreach in community
Quality of education	Education Director reviews and reports on this, including Head of School reports, internal data, external data, moderation
Failure to comply with Health and Safety legislation	Best practice followed and external inspections used to inform practice. Monitored and reported by Chief Operating Officer
<i>Financial risk</i>	
Trust is unable to meet its liabilities – going concern	Budget setting, management reporting, cash flow monitoring and approval of contracts by Trustees all seek to reduce this risk. Regular discussion of going concern at trust meetings ensures this risk is kept under review.
<i>Operational risk</i>	
Management information isn't accurate, timely, pertinent or reviewed	Trustees confirm information required and Executive team responsible for ensuring accuracy through review and monitoring
Staff morale and retention	Staff surveys, wellbeing events, additional rewards policy, private healthcare in place to monitor and assist retention
Poor maintenance of estate	5 year maintenance plan and longer term survey of estate informs budgeting to ensure adequate resource expended in this area
<i>Compliance risk</i>	
Staff contracts and pay incorrect	HR consultants and payroll bureau employed to prepare contracts and run payroll calculating correct deductions. Contracts and payroll checked before actioning. Relevant staff undertake training and updates
Safeguarding risk	All staff and volunteers undertake annual safeguarding training (compliance checked by Education Director and reported). Regular updates provided in between

A risk also arises in relation to the defined benefit pension scheme but this is underwritten by ESFA in the event of the academy trust ceasing.

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Trustees' report (continued)
for the year ended 31 August 2023

Fundraising

The academy trust does not employ external fundraisers at present but each school has an active PTA who fundraise and donate to the schools for the benefit of the pupils. Such fundraising activities are generally in partnership with the school and the methods of fundraising are monitored by Trustees to ensure that they conform to recognised standards. eg Health and Safety, Safeguarding and that the monies raised are used for the prescribed purposes.

Plans for future periods

Resources for Learning

- Improve capacity in leadership and management at all levels to drive strategic development of the academy forward
- Ensure that staffing structures, rewards & professional development secure a high performing & well-motivated body of staff
- Maintain financial security including resources to meet development plans
- Improve the quality of the learning environment by securing funding for 21st century facilities
- Be innovative in the contribution that ICT can make to learning

Teaching & Learning

- Ensure outstanding progress for all pupils
- Ensure outstanding teaching by building the capacity of staff through professional development focussed on high quality teaching
- Develop a curriculum which meets the needs of all pupils
- Raise participation by pupils in activities designed to develop their learning skills, resilience, independence and tolerance through well-planned lessons and exposure to a range of experiences including opportunities to lead their learning

Partnerships for Learning

- Lead, contribute to and take advantage of partnership arrangements designed to promote academy Improvement
- Seek opportunities to further develop curriculum provision at all levels of the academy by collaborative working
- Engage parents, partner schools, agencies and the local community in school Improvement
- Develop relationships with schools and trusts with the view to potential further growth of the trust

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

ACE LEARNING
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Trustees' report (continued)
for the year ended 31 August 2023

Auditors

The auditors, Xeinadin Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'A Fletcher', written in a cursive style.

A Fletcher
Trustee

ACE LEARNING
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Governance Statement

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the chief executive, 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 ACE Learning and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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Governance Statement (continued)

Governance

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

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

Trustee	Meetings attended	Out of a possible
P G Spragg, Chair of Trustees	4	6
E Rossiter	2	3
A Fletcher, Vice Chair	6	6
T Dada	5	6
G Hollamby	6	6
C Wilding	5	6
M Groombridge	3	4
R Imeson	4	6
N McClure	1	1
J Macey	5	6

During the year some trustees have left due to pressure of work and the board has endeavoured to replace them. The Board has had sufficient strength within the remaining members to ensure that the full coverage of work has occurred during the year.

The trust continues to hold trust leaders to account for the educational and financial performance of the trust and to ensure that the trust continues to operate to achieve the trust vision.

During Summer 2022, the trust board commissioned an external review of governance which was reported on and considered in September 2022. Throughout the year the trustees have been actioning the findings of the report, creating an action plan and defining their information needs to ensure that they are able to effectively perform their role.

Conflicts of interest

ACE Learning has clear policies in place to maintain conflicts of interest. There is a maintained and up to date register of business interests which is completed by all members, trustees and by those with financial control. Business interests are a standing item on all agendas for meetings and where necessary those with business interests are asked to withdraw from discussions and decision making.

Meetings

During this accounting period the following meetings have taken place:

6 x Board of Trustee

1x Members AGM

6 x Finance, Resources and Audit Committee

3 x Local Advisory Board meetings in each school

Governance Reviews

The trustees carried out an external review of governance in Summer 2022. As a result of this the trustees have created an action plan based on the findings which has been worked on during the year.

An internal review of governance and an audit of trustee skills is completed annually to identify gaps in collective knowledge and skills. The outcomes of this inform future recruitment of Trustees.

Sub committee

The finance, audit and risk committee is a sub-committee of the main board of trustees. Its purpose is to:

- fulfil the responsibilities of a finance and audit committee as set out in the Terms of Reference in line with the Academy Trust Handbook, Financial Regulations and in compliance with the Funding Agreement with the Secretary of State of Education.
- ensure sound management of the Trust's finances and resources, including proper planning, monitoring, probity and value for money.

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Governance Statement (continued)

Governance (continued)

- demonstrate to the public that the pay of senior staff is set by a committee which has no personal interest in the outcome of its decision and which gives due regard to the interests of the public and of the financial health of the Trust.
- advise the Board and Chief Financial Officer on the adequacy and effectiveness of the Trust's governance, risk management, internal control and value for money systems, oversight of IT systems for security, Whistleblowing Policy and frameworks. An annual report will be produced by the Audit, Finance and Risk Committee in this regard;
- advise the Board on the appointment, re-appointment, dismissal and remuneration of the external auditor;
- advise the Board on the need for and then, where appropriate, the appointment, reappointment, dismissal and remuneration of an internal auditor or other assurance provider;
- advise the Board on an appropriate programme of work to be delivered by independent assurance providers. This programme of work should be to be derived from the Audit, Finance and Risk Committee's regard of the key risks faced by the Trust, the assurance framework is in place and its duty to report to the Board;

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
T Dada	6	6
G Spragg	5	6
A Fletcher	6	6
N McClure	2	2

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- successful bidding for funding to commission energy surveys and a decarbonisation plan to reduce potential future costs and impact of the estate on the environment
- submission of CIF bids to replace oil and gas boilers at both schools to reduce their environmental impact
- replacement of whiteboards at Hamstreet to more modern, energy efficient boards
- installation of LED lighting in the hall at Hamstreet to replace older, inefficient lighting
- installation of roof insulation at Furley Park to decrease heating costs
- opening a new swimming pool at Furley Park (and continuing to operate one at Hamstreet) to allow all children to learn to swim each year, rather than a single year group - saving transport costs and pool hire costs
- training teachers to teach swimming saving the cost of tutors
- installing an air source heat pump to heat the swimming pool reducing the cost of electricity needed
- continuing to pursue trust purchasing to reduce costs - in the year assessment materials, phonics scheme resources, training costs and general supplies purchasing have all benefited from this approach

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Governance Statement (continued)

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the finance, audit and risk 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
- identification and management of risks

The Board of Trustees has decided to buy-in an internal audit service from Azets UK Ltd.

This option has been chosen because the Trustees wish to have qualified assurance that their systems are compliant and in accordance with policies and legislative requirements.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy's financial systems. In particular, the checks carried out in the current period included:

- testing of recruitment processes
- testing of business continuity processes
- testing of control account / bank reconciliations.

On an annual basis, the auditor reports to the Board of Trustees through the finance, audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis the auditor prepare a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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Governance Statement (continued)

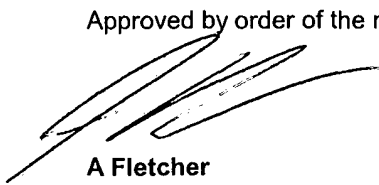
Review of effectiveness

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

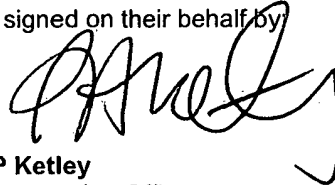
- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditors.
- correspondence from ESFA e.g. FNI/Ntl and 'minded to' letters.

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 risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



A Fletcher
Trustee
Date: 6 December 2023



P Ketley
Accounting Officer

ACE LEARNING
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Statement of Regularity, Propriety and Compliance

As accounting officer of ACE Learning I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estate safety and management.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy'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 instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



P Ketley
Accounting Officer
Date: 6 December 2023

ACE LEARNING
(A company limited by guarantee)

Statement of Trustees' responsibilities
for the year ended 31 August 2023

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



A Fletcher
Trustee

Date: 6 December 2023

ACE LEARNING
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of ACE Learning

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy'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.

ACE LEARNING
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of ACE Learning (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

ACE LEARNING
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of ACE Learning (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

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

1. Assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud may occur.
2. Held discussions with the client regarding their policies and procedures on compliance with laws and regulations.
3. Held discussions with the client regarding their policies and procedures on fraud risks, including knowledge of any actual suspected or alleged fraud.

We consider the entity's controls effective in identifying fraud. We do not consider there to be significant difficulty in detecting irregularities.

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

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Samuel Ketcher FCCA (Senior statutory auditor)

for and on behalf of
Xeinadin Audit Limited
Chartered Accountants
Statutory Auditor
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 15 December 2023

ACE LEARNING
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to ACE Learning and the
Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 10 November 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by ACE Learning during the year 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 ACE Learning and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to ACE Learning 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 ACE Learning and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of ACE Learning's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of ACE Learning's funding agreement with the Secretary of State for Education dated 1 November 2013 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 year 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 Academy's income and expenditure.

The work undertaken to draw to our conclusion included:

- An assessment of the risk of material misstatement and irregularity.
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion.

ACE LEARNING
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to ACE Learning and the
Education & Skills Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.

Xeinadin Audit Limited

Reporting Accountant
Xeinadin Audit Limited
Chartered Accountants
Statutory Auditor

Date: 15 December 2023

ACE LEARNING
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 August 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	4	9,485	-	63,488	72,973	47,038
Other trading activities		237,194	-	-	237,194	223,903
Investments	7	71	-	-	71	1,024
Charitable activities		-	4,375,547	-	4,375,547	4,341,474
Total income		246,750	4,375,547	63,488	4,685,785	4,613,439
Expenditure on:						
Charitable activities	9	147,872	4,421,142	252,557	4,821,571	5,283,774
Total expenditure		147,872	4,421,142	252,557	4,821,571	5,283,774
Net income/(expenditure)		98,878	(45,595)	(189,069)	(135,786)	(670,335)
Transfers between funds	20	(87,029)	(3,175)	90,204	-	-
Net movement in funds before other recognised gains/(losses)		11,849	(48,770)	(98,865)	(135,786)	(670,335)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	27	-	964,000	-	964,000	3,761,000
Pension surplus not recognised	27	-	(181,000)	-	(181,000)	-
Net movement in funds		11,849	734,230	(98,865)	647,214	3,090,665
Reconciliation of funds:						
Total funds brought forward		442,436	(713,454)	8,962,319	8,691,301	5,600,636
Net movement in funds		11,849	734,230	(98,865)	647,214	3,090,665
Total funds carried forward		454,285	20,776	8,863,454	9,338,515	8,691,301

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 27 to 52 form part of these financial statements.

ACE LEARNING
(A company limited by guarantee)
Registered number: 08681270

Balance sheet
as at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	17	8,860,454	8,940,409
Current assets			
Debtors	18	166,250	253,077
Cash at bank and in hand		689,417	543,545
		<u>855,667</u>	<u>796,622</u>
Creditors: amounts falling due within one year	19	(377,606)	(325,730)
Net current assets		<u>478,061</u>	<u>470,892</u>
Net assets excluding pension asset / liability		<u>9,338,515</u>	<u>9,411,301</u>
Defined benefit pension scheme asset / liability	27	-	(720,000)
Total net assets		<u><u>9,338,515</u></u>	<u><u>8,691,301</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	20	8,863,454	8,962,319
Restricted income funds	20	20,776	6,546
		<u>8,884,230</u>	<u>8,968,865</u>
Restricted funds excluding pension asset	20	-	(720,000)
Pension reserve	20	-	-
Total restricted funds	20	<u>8,884,230</u>	<u>8,248,865</u>
Unrestricted income funds	20	454,285	442,436
Total funds		<u><u>9,338,515</u></u>	<u><u>8,691,301</u></u>

The financial statements on pages 24 to 52 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



A Fletcher
Trustee
Date: 6 December 2023

The notes on pages 27 to 52 form part of these financial statements.

ACE LEARNING
(A company limited by guarantee)

**Statement of cash flows
for the year ended 31 August 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	22	254,986	113,084
Cash flows from investing activities	23	(109,114)	(170,190)
Change in cash and cash equivalents in the year		145,872	(57,106)
Cash and cash equivalents at the beginning of the year		543,545	600,651
Cash and cash equivalents at the end of the year	24, 25	<u>689,417</u>	<u>543,545</u>

The notes on pages 27 to 52 form part of these financial statements

ACE LEARNING
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2023

1. General information

ACE Learning is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Reed Crescent, Park Farm, Ashford, Kent, TN23 3PA. The principal activity of the academy trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

2.2 Going concern

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

2.3 Income

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

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy, can be reliably measured.

• **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.

ACE LEARNING
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2023

2. Accounting policies (continued)

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets

Assets costing £1,000 or more or a group of assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Land and buildings	- Land not depreciated; buildings 50 years
Leasehold improvements	- 50 years
Fixtures, fittings and equipment	- 3 to 10 years

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.

ACE LEARNING
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2023

2. Accounting policies (continued)

2.7 Debtors

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

2.8 Cash at bank and in hand

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

2.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

2.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. 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.

ACE LEARNING
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2023

2. Accounting policies (continued)

2.11 Pensions

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

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

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

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

2.12 Fund accounting

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

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

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

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

ACE LEARNING
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2023**

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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.

LGPS

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 17 for the carrying amount of the property plant and equipment, and note 2.6 for the useful economic lives for each class of assets.

4. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	9,485	12,000	21,485	7,890
Capital Grants	-	51,488	51,488	39,148
	<u>9,485</u>	<u>63,488</u>	<u>72,973</u>	<u>47,038</u>
<i>Total 2022</i>	<u>7,890</u>	<u>39,148</u>	<u>47,038</u>	

ACE LEARNING
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2023**

5. Funding for the Academy's charitable activities

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	3,618,574	3,618,574	3,669,640
Other DfE/ESFA grants			
UIFSM	125,694	125,694	125,517
Pupil premium	204,677	204,677	185,614
PE and Sports premium	39,670	39,670	39,500
Supplementary grant	101,711	101,711	41,530
Mainstream Schools Additional Grant	50,883	50,883	-
Others	13,627	13,627	22,936
	<u>4,154,836</u>	<u>4,154,836</u>	<u>4,084,737</u>
Other Government grants			
Special educational projects	155,559	155,559	169,241
Other government grants	25,749	25,749	50,473
	<u>181,308</u>	<u>181,308</u>	<u>219,714</u>
COVID-19 additional funding (DfE/ESFA)			
Recovery Premium	20,989	20,989	18,596
Other DfE/ESFA COVID-19 funding	18,414	18,414	18,427
	<u>39,403</u>	<u>39,403</u>	<u>37,023</u>
	<u>4,375,547</u>	<u>4,375,547</u>	<u>4,341,474</u>
Total 2022	<u><u>4,341,474</u></u>	<u><u>4,341,474</u></u>	

The academy received £21k (2022: £19k) of funding for recovery premium and costs incurred in respect of this funding totalled £21k (2022: £19k).

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**Notes to the financial statements
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6. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Hire of facilities	8,724	8,724	8,692
Catering Income	66,529	66,529	68,033
Extended schools programme	79,192	79,192	70,408
Other income	82,749	82,749	76,770
	<u>237,194</u>	<u>237,194</u>	<u>223,903</u>
<i>Total 2022</i>	<u>223,903</u>	<u>223,903</u>	

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	71	71	1,024
	<u>1,024</u>	<u>1,024</u>	
<i>Total 2022</i>	<u>1,024</u>	<u>1,024</u>	

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Educational operations:					
Direct costs	3,158,666	172,549	79,667	3,410,882	3,395,258
Allocated support costs	588,080	299,475	523,134	1,410,689	1,888,516
	<u>3,746,746</u>	<u>472,024</u>	<u>602,801</u>	<u>4,821,571</u>	<u>5,283,774</u>
<i>Total 2022</i>	<u>4,219,658</u>	<u>434,526</u>	<u>629,590</u>	<u>5,283,774</u>	

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**Notes to the financial statements
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9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Educational operations	147,872	4,673,699	4,821,571	5,283,774
<i>Total 2022</i>	<i>130,504</i>	<i>5,153,270</i>	<i>5,283,774</i>	

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Educational operations	3,410,882	1,410,689	4,821,571	5,283,774
<i>Total 2022</i>	<i>3,395,258</i>	<i>1,888,516</i>	<i>5,283,774</i>	

Analysis of direct costs

	Educational operations 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	3,158,666	3,158,666	3,119,233
Depreciation	172,614	172,614	171,739
Educational resources	66,393	66,393	104,286
Agency Costs	13,209	13,209	-
	<u>3,410,882</u>	<u>3,410,882</u>	<u>3,395,258</u>
<i>Total 2022</i>	<i>3,395,258</i>	<i>3,395,258</i>	

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**Notes to the financial statements
for the year ended 31 August 2023**

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2023 £	Total funds 2023 £	Total funds 2022 £
Pension finance costs	26,000	26,000	64,000
Staff costs	582,970	582,970	1,097,338
Depreciation	79,961	79,961	94,398
Premises costs	223,283	223,283	168,339
Other costs	480,425	480,425	438,768
Agency Costs	5,110	5,110	3,087
(Profit)/loss on disposal of tangible fixed assets	(18)	(18)	-
Governance costs	12,958	12,958	22,586
	<u>1,410,689</u>	<u>1,410,689</u>	<u>1,888,516</u>
<i>Total 2022</i>	<u>1,888,516</u>	<u>1,888,516</u>	

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	3,381	4,641
Depreciation of tangible fixed assets	<u>252,575</u>	<u>266,287</u>

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**Notes to the financial statements
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12. Auditors' remuneration

	2023 £	2022 £
Fees payable to Xeinadin Audit Limited for the audit of the Academy's annual accounts	8,000	8,000
Fees payable to Xeinadin Audit Limited and its associates in respect of:		
All assurance services not included above	2,600	2,600
All non-audit services not included above	950	950
	<u> </u>	<u> </u>

13. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	2,806,401	2,887,207
Social security costs	256,061	259,790
Pension costs	679,174	1,069,574
	<u>3,741,636</u>	<u>4,216,571</u>
Agency staff costs	5,110	3,087
	<u>3,746,746</u>	<u>4,219,658</u>

b. Staff numbers

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

	2023 No.	2022 No.
Teachers	40	41
Administration and support	70	82
Management	6	9
	<u>116</u>	<u>132</u>

c. Higher paid staff

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

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**Notes to the financial statements
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13. Staff (continued)

c. Higher paid staff (continued)

	2023 No.	2022 No.
In the band £60,001 - £70,000	2	-
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u>2</u>	<u>2</u>

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £507,938 (2022 - £674,130).

14. Central services

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

- Educational support services
- Financial services
- HR services
- Business management services

The Academy charges for these services on the following basis:

- anticipated central team costs, split according to PAN

The actual amounts charged during the year were as follows:

	2023 £	2022 £
Furley Park Primary School	267,840	244,494
Hamstreet Primary School	132,480	126,900
Total	<u>400,320</u>	<u>371,394</u>

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

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Notes to the financial statements
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16. Trustees' and Officers' insurance

The Academy 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 academy 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 membership.

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Notes to the financial statements
for the year ended 31 August 2023

17. Tangible fixed assets

	Leasehold Land and buildings £	Leasehold improvements £	Assets under construction £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2022	9,834,222	247,941	146,790	770,314	24,880	11,024,147
Additions	-	11,681	44,591	117,955	-	174,227
Disposals	-	-	-	(1,692)	-	(1,692)
Transfers between classes	-	111,883	(191,381)	79,498	-	-
At 31 August 2023	9,834,222	371,505	-	966,075	24,880	11,196,682
Depreciation						
At 1 September 2022	1,402,085	32,597	-	624,176	24,880	2,083,738
Charge for the year	166,424	6,125	-	80,026	-	252,575
On disposals	-	-	-	(85)	-	(85)
At 31 August 2023	1,568,509	38,722	-	704,117	24,880	2,336,228
Net book value						
At 31 August 2023	8,265,713	332,783	-	261,958	-	8,860,454
At 31 August 2022	8,432,137	215,344	146,790	146,138	-	8,940,409

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**Notes to the financial statements
for the year ended 31 August 2023**

18. Debtors

	2023 £	2022 £
Due after more than one year		
Prepayments and accrued income	17,397	-
	<u>17,397</u>	<u>-</u>
Due within one year		
Trade debtors	2,188	13,118
Other debtors	-	64,201
Prepayments and accrued income	130,288	164,120
VAT recoverable	16,377	11,638
	<u>166,250</u>	<u>253,077</u>

19. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	66,796	21,682
Other taxation and social security	62,123	71,490
Other creditors	71,303	70,565
Accruals and deferred income	177,384	161,993
	<u>377,606</u>	<u>325,730</u>

	2023 £	2022 £
Deferred income at 1 September 2022	99,387	97,892
Resources deferred during the year	138,818	99,387
Amounts released from previous periods	(99,387)	(97,892)
Deferred income at 31 August 2023	<u>138,818</u>	<u>99,387</u>

At the balance sheet date the Academy Trust was holding funds for school trips and Universal Infant Free School Meals received in advance for the next financial year.

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**Notes to the financial statements
for the year ended 31 August 2023**

20. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds	442,436	246,750	(147,872)	(87,029)	-	454,285
Restricted general funds						
General Annual Grant (GAG)	6,546	3,618,574	(3,601,169)	(3,175)	-	20,776
UIFSM	-	125,694	(125,694)	-	-	-
Pupil premium	-	204,677	(204,677)	-	-	-
PE and Sports premium	-	39,670	(39,670)	-	-	-
Supplementary grant	-	101,711	(101,711)	-	-	-
Mainstream schools additional grant	-	50,883	(50,883)	-	-	-
Other DfE/ESFA grants	-	13,627	(13,627)	-	-	-
Special educational projects	-	155,559	(155,559)	-	-	-
Other government grants	-	25,749	(25,749)	-	-	-
Recovery premium	-	20,989	(20,989)	-	-	-
Other COVID-19 funding	-	18,414	(18,414)	-	-	-
Pension reserve	(720,000)	-	(63,000)	-	783,000	-
	(713,454)	4,375,547	(4,421,142)	(3,175)	783,000	20,776

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**Notes to the financial statements
for the year ended 31 August 2023**

20. Statement of funds (continued)

**Restricted fixed
asset funds**

Fixed asset fund	8,940,409	-	(252,557)	172,602	-	8,860,454
DfE group capital grants	21,910	63,488	-	(85,398)	-	-
Trust capital funds	-	-	-	3,000	-	3,000
	<u>8,962,319</u>	<u>63,488</u>	<u>(252,557)</u>	<u>90,204</u>	<u>-</u>	<u>8,863,454</u>
Total Restricted funds	<u>8,248,865</u>	<u>4,439,035</u>	<u>(4,673,699)</u>	<u>87,029</u>	<u>783,000</u>	<u>8,884,230</u>
Total funds	<u>8,691,301</u>	<u>4,685,785</u>	<u>(4,821,571)</u>	<u>-</u>	<u>783,000</u>	<u>9,338,515</u>

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

General Annual Grant

General funding provided by ESFA to support running of the school.

Other DfE/ESFA grants

This includes funding for rates, sports funding, pupil premium, UIFSM, teachers' pay grant, MSAG and covid income.

Other government grants

Other grants funds include funding provided by Kent County Council for high needs pupils as well as funding for children in Local Authority Care and additional grants to support the education of children from Ukraine.

Transfer between funds

The transfer between funds represents the purchase of capital items from unrestricted funds and restricted grants, the costs incurred in relation to the Devolved Capital Formula grant and the use of unrestricted funds to fund educational activities.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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**Notes to the financial statements
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20. Statement of funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	598,919	232,817	(130,504)	(258,796)	-	442,436
Restricted general funds						
General Annual Grant (GAG)	-	3,669,640	(3,729,624)	66,530	-	6,546
UIFSM	-	125,517	(125,517)	-	-	-
Pupil premium	-	185,614	(185,614)	-	-	-
PE and Sports premium	-	39,500	(39,500)	-	-	-
Supplementary grant	-	41,530	(41,530)	-	-	-
Other DfE/ESFA grants	-	22,936	(22,936)	-	-	-
Special educational projects	-	169,241	(169,241)	-	-	-
Other government grants	-	50,473	(50,473)	-	-	-
Recovery premium	-	18,596	(18,596)	-	-	-
Other COVID-19 funding	-	18,427	(18,427)	-	-	-
Pension reserve	(3,995,000)	-	(486,000)	-	3,761,000	(720,000)
	<u>(3,995,000)</u>	<u>4,341,474</u>	<u>(4,887,458)</u>	<u>66,530</u>	<u>3,761,000</u>	<u>(713,454)</u>

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**Notes to the financial statements
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20. Statement of funds (continued)

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Restricted fixed asset funds						
Fixed asset fund	8,996,867	-	(265,962)	209,829	-	8,940,734
DfE group capital grants	-	39,148	-	(17,563)	-	21,585
	<u>8,996,867</u>	<u>39,148</u>	<u>(265,962)</u>	<u>192,266</u>	<u>-</u>	<u>8,962,319</u>
Total Restricted funds	<u>5,001,867</u>	<u>4,380,622</u>	<u>(5,153,420)</u>	<u>258,796</u>	<u>3,761,000</u>	<u>8,248,865</u>
Total funds	<u><u>5,600,786</u></u>	<u><u>4,613,439</u></u>	<u><u>(5,283,924)</u></u>	<u><u>-</u></u>	<u><u>3,761,000</u></u>	<u><u>8,691,301</u></u>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Furley Park Primary School	440,866	387,615
Hamstreet Primary School	17,685	41,211
Ace Learning	16,510	20,156
	<u>475,061</u>	<u>448,982</u>
Total before fixed asset funds and pension reserve	475,061	448,982
Restricted fixed asset fund	8,863,454	8,962,319
Pension reserve	-	(720,000)
Total	<u><u>9,338,515</u></u>	<u><u>8,691,301</u></u>

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**Notes to the financial statements
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20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
Furley Park Primary School	1,903,153	246,334	35,023	435,214	2,619,724	2,639,907
Hamstreet Primary School	1,018,441	196,013	31,370	212,481	1,458,305	1,517,256
Ace Learning	237,072	140,623	-	113,272	490,967	860,474
Academy	3,158,666	582,970	66,393	760,967	4,568,996	5,017,637

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	8,860,454	8,860,454
Debtors due after more than one year	-	17,397	-	17,397
Current assets	454,285	380,985	3,000	838,270
Creditors due within one year	-	(377,606)	-	(377,606)
Total	454,285	20,776	8,863,454	9,338,515

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**Notes to the financial statements
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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	8,940,409	8,940,409
Current assets	442,436	332,276	21,910	796,622
Creditors due within one year	-	(325,730)	-	(325,730)
Provisions for liabilities and charges	-	(720,000)	-	(720,000)
Total	442,436	(713,454)	8,962,319	8,691,301

22. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of financial activities)	(135,786)	(670,335)
Adjustments for:		
Depreciation	252,575	266,137
Capital grants from DfE and other capital income	(63,488)	(39,148)
Defined benefit pension scheme cost less contributions payable	63,000	486,000
Decrease in debtors	86,827	34,212
Increase in creditors	51,876	36,218
Profit on disposal of tangible fixed assets	(18)	-
Net cash provided by operating activities	254,986	113,084

23. Cash flows from investing activities

	2023 £	2022 £
Purchase of tangible fixed assets	(174,227)	(209,338)
Proceeds from the sale of tangible fixed assets	1,625	-
Capital grants from DfE Group	51,488	39,148
Capital funding received from sponsors and others	12,000	-
Net cash used in investing activities	(109,114)	(170,190)

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**Notes to the financial statements
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24. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	689,417	543,545
Total cash and cash equivalents	689,417	543,545

25. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	543,545	145,872	689,417
	543,545	145,872	689,417

26. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	50,338

27. Pension commitments

The Academy'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 Kent County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £71,303 were payable to the schemes at 31 August 2023 (2022 - £70,565) and are included within creditors.

Teachers' Pension Scheme

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

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

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Notes to the financial statements
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27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the year amounted to £414,446 (2022 - £411,471).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £286,000 (2022 - £301,000), of which employer's contributions totalled £228,000 (2022 - £238,000) and employees' contributions totalled £58,000 (2022 - £63,000). The agreed contribution rates for future years are 22.5 per cent for employers and var per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

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**Notes to the financial statements
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27. Pension commitments (continued)

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.90
Rate of increase for pensions in payment/inflation	2.90	30
Discount rate for scheme liabilities	5.30	4.25

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	20.7	21.0
Females	23.2	23.5
<i>Retiring in 20 years</i>		
Males	22.0	22.3
Females	24.6	24.9

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	3,227	3,937
Discount rate -0.1%	3,367	4,150
Mortality assumption - 1 year increase	3,387	4,157
Mortality assumption - 1 year decrease	3,208	3,930
CPI rate +0.1%	3,364	4,142
CPI rate -0.1%	3,230	3,945

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**Notes to the financial statements
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27. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	2,208,000	2,178,000
Gilts	20,000	19,000
Other bonds	480,000	439,000
Property	351,000	391,000
Cash and other liquid assets	37,000	56,000
Absolute return fund	249,000	239,000
Infrastructure	132,000	-
Total market value of assets	3,477,000	3,322,000

The actual return on scheme assets was £-26,000 (2022 - £-41,000).

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

	2023 £	2022 £
Current service cost	(263,000)	(658,000)
Interest income	146,000	53,000
Interest cost	(172,000)	(117,000)
Total amount recognised in the Statement of financial activities	(289,000)	(722,000)

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

	2023 £	2022 £
At 1 September	4,042,000	7,109,000
Current service cost	263,000	658,000
Interest cost	172,000	117,000
Employee contributions	58,000	63,000
Actuarial gains	(1,195,000)	(3,855,000)
Benefits paid	(44,000)	(50,000)
At 31 August	3,296,000	4,042,000

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27. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	3,322,000	3,114,000
Interest income	146,000	53,000
Actuarial losses	(231,000)	(94,000)
Employer contributions	226,000	236,000
Employee contributions	58,000	63,000
Benefits paid	(44,000)	(50,000)
At 31 August	3,477,000	3,322,000

The Academy has an unrecognised surplus of £181,000 in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

28. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	2,317	3,381
Later than 1 year and not later than 5 years	3,032	177
	5,349	3,558

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2023 £	2022 £
Operating lease rentals	3,381	4,641

29. Members' liability

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

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30. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, Ace Learning paid £Nil to Brachers (2022: £228), a related party of A Fletcher, a trustee. These services are provided under normal market conditions. No amounts were outstanding as at 31 August 2023.

A close family member of a Member was employed by the academy trust as a member of educational support staff. Their appointment was made in open competition and the member was not involved in the decision-making process regarding appointment. The support staff member is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a member.

A close family member of one of the trust's key management personnel was employed by the academy trust as a member of educational support staff. Their appointment was made in open competition and the management staff member was not involved in the decision-making process regarding appointment. The support staff member was paid within the normal pay scale for their role and received no special treatment as a result of their relationship to the key management staff member.

During the year, Ace Learning received income in respect of school lunch provisions amounting to £7,395 (2022: £5,709) from Highways at Hamstreet, a related party of J Macey, a trustee. At 31 August 2023, Ace Learning were owed £455 (2022: £2,907).

During the year, Ace Learning received income in respect of hire of school facilities amounting to £730 (2022: £Nil) from Blue Phoenix Productions, a related party of P Ketley. At 31 August 2023, Ace Learning were owed £Nil (2022: £Nil).

In entering into the above transactions, the Academy Trust has complied with the requirements of the Academy Trust Handbook 2022.