



Annual Report 2022-23

E-ACT

OPENING MINDS,
OPENING DOORS

#thinkbig

#teamspirit

#dotherightthing

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Introduction

Reference and Administrative details

Company number 06526376

Registered address

The Orangery
28 Headlands
Kettering
Northamptonshire
NN15 7HP

Bankers

HSBC
60 Queen Victoria Street
London
EC4N 4TR

Auditors

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Principal staff

CEO Tom Campbell BSC (Hons), PGCE, MSc, NPQH, FCCT, FRSA, MBA (Cantab): appointed Jan 2023. (Interim CEO December 2021 - 2022). Ex-officio Trustee.

Deputy CEO & COO Chris Wiseman. DipMgt: appointed 2019: appointed as COO October 2017; joined E-ACT September 2016. Interim CFO from 1 Feb 2023 to Oct 2023.

Chief Financial Officer (CFO) to 31 Jan 2023 Craig Pashler, MBA, ACMA, CGMA: appointed October 2017; joined E-ACT September 2014. Left June 2023

Director of Partnerships and Organisational Development Karen Rose, BSC (Hons), PRINCE2, MSP: Appointed September 2022.

National Director of Secondary Education Pete Kirkbride, BSc (Hons), MA, NPQH, NPQEL: Appointed September 2022.

National Director of Primary Education Martin Fitzwilliam, B.Ed (Hons). Appointed September 2022.

Trustees

Lord Jim Knight – Chair of the Board of Trustees

Dr Cameron Pyke – Vice Chair of the Board and Chair of the Personnel Committee

Pamela Coles – Chair of the Remuneration Committee and Member

Brian Lightman – Chair of the Education Committee

Nadeem Kiyani – Chair of the Finance Committee

David Roper – Chair of the Audit and Risk Committee

John Murphy – Trustee

Roohi Collins – Trustee

Members

Andrew Pear

Jean Scott

Karen Seward

Liz Bromley

Mark Martin

Pamela Coles

CEO Welcome

This year at E-ACT ranks as arguably our most successful ever. The sector remains challenging, both in terms of directly supporting the complex needs of our young people and families, and in operating a large trust with the pressures of budgets, buildings and balancing national disputes with government.



Despite this context, I am incredibly proud of everything that E-ACT and our 28 academies have achieved. Our trust going from strength to strength is down to the amazing work of our incredible staff and pupils.

This led to E-ACT being awarded MAT of the Year 2023 at the MAT Excellence Awards, a testament to the whole team. The award recognised the incredible impact our academies are making in the community and that whilst a national MAT, E-ACT is immersed and deeply committed to local context. Further recognition was gained for individual academies such as Nechells, Badocks Wood, Blackley and Parker as they were finalists in national awards including the TES Awards.

2023 was the return to pre-pandemic standards in national testing and examinations. We are pleased to report that against the 2019 standards E-ACT has improved at all key stages. We have emerged from the pandemic era with above national standards in KS2 SATS, and significant improvement in GCSE attainment, particularly in English and in maths. More young people than ever before are progressing into university, apprenticeships and meaningful employment.

E-ACT academies continue to perform strongly under inspection. Our Ofsted profile remains the highest of large trusts in the sector with 93% of our academies rated good or outstanding. 100% of academies are rated as good or outstanding for leadership and for the personal development of children. Testament to the strong foundation the trust provides for our academies and their pupils.

We continue to be a thought leader around inclusion, engaging the wider system through our third E-ACT Ideas Conference in partnership with Tes – this year on the topic of SEND and inclusion. This virtual conference was made available on-demand, and we had a line-up of incredible speakers including Andre Imich – SEN and disability professional advise at DfE, published authors and campaigners such as Marcia Brissett-Bailey and researchers from the University of Winchester and Bath Spa University.

The year also involved an in-depth review of our trust strategy ‘Opening Minds, Opening Doors’, an external review of governance with CST and a transition to our new national operating model for services to our academies. E-ACT continues to move forward with incredible momentum.

As a trust, we have shown our resilience in a tough year across the sector, and we are fortunate to have such strong teams in place to serve our children, parents and communities achieving excellent outcomes.

There remains much to do but we look forward to next year with a sense of optimism and excitement, particularly as we have the opportunity of growth.

Thank you to our trustees, staff, pupils and parents for their tremendous support.

Chair's Welcome

There have been so many amazing initiatives and achievements to be proud of over the last academic year. Firstly, winning the MAT of the Year Award in June 2023. I'm also delighted to see some of our individual academies shortlisted for their work, including E-ACT Nechells Academy, shortlisted for the EYFS setting of the year and E-ACT Blackley Academy's community hub being highly commended in the Tes Awards.



I was delighted to meet so many colleagues at the Strategy Day held in May, that brought together staff from all areas of the country and all professional groups to talk about the priorities for E-ACT and how we can best achieve our vision - To transform the lives of young people through outstanding education.

This day and subsequent work have helped us to shape and refine our organisational strategy around the priorities of: People First, Advocacy and Inclusion and Pupil Destinations and Outcomes.

Some of the work we have delivered around these priorities includes publishing our first Primary Anthology celebrating the great writing from pupils across our schools, developing partnerships with organisations like the James Dyson Foundation to promote STEM higher education for girls, the WWF to promote sustainable careers and offering a wide range of cultural capital events and trips across all our academies.

I'm incredibly proud of our excellent work around attendance and safeguarding and have every confidence that the leadership team and wider staff will continue to deliver incredible things for our children and young people. I'd also like to offer a special thank you to our academy ambassadors who play a vital role in local civic stewardship, embedding our academies in their local neighbourhoods. Thank you all for your commitment and hard work.

Academy performance

ACADEMY	JOINED E-ACT	PUPILS	OFSTED GRADE
E-ACT Badock's Wood Academy P	01/09/2018	227	Good
E-ACT Blackley Academy P	01/01/2012	433	Good
E-ACT Bourne End Academy S	01/09/2018	816	Good
E-ACT Braintcroft Academy P	01/04/2018	675	Good
E-ACT Chalfont Valley Academy P	01/09/2012	176	Good
E-ACT City Heights Academy S	01/09/2013	588	Good
E-ACT Crest Academy S	01/09/2009	1199	Good
E-ACT Denham Green Academy P	01/09/2013	227	Good
E-ACT DSLV Academy P S	01/04/2012	1032	Good
E-ACT Greenfield Academy P	01/09/2012	362	Good
E-ACT Hareclive Academy P	01/09/2016	355	Outstanding
E-ACT Heartlands Academy S	01/09/2009	803	Outstanding
E-ACT Ilminster Avenue Academy P	01/01/2012	310	Good
E-ACT Mansfield Green Academy P	01/01/2013	419	Outstanding
E-ACT Merritts Brook Academy P	01/01/2013	207	Good
E-ACT Nechells Academy P	01/09/2012	208	Good
E-ACT North Birmingham Academy S	04/01/2010	1028	Good
E-ACT Parker Academy S	01/09/2012	1231	Good
E-ACT Parkwood Academy S	01/09/2009	799	Good
E-ACT Pathways Academy P	01/09/2013	386	Good
E-ACT Perry Court Academy P	01/09/2017	443	Good
E-ACT Reedswood Academy P	01/09/2012	488	Good
E-ACT Royton & Crompton Academy S	01/09/2018	1082	Requires improvement
E-ACT Shenley Academy S	01/09/2009	842	Good
E-ACT St Ursula's Academy P	01/09/2011	564	Good
E-ACT The Oldham Academy North S	01/09/2010	1328	Good
E-ACT West Walsall Academy S	01/09/2012	1200	Good
E-ACT Willenhall Academy S	01/01/2012	905	Requires improvement

P Primary S Secondary

Trustees Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2022 to 31 August 2023.

The annual report serves the purposes of a trustees report, directors' report and strategic report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 45 – 76 of this annual report. They comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with FRS 102/SORP 2019, and the Academies Accounts Directions 2022 to 2023.

During the financial year 2022-2023 the trust operated 28 Academies located across the North, Midlands, London, Buckinghamshire and the South west. This includes 15 primary academies, 12 secondary academies and one all-through academy. Last year the trust's academies had a combined total of 18,211 pupils on roll at the date of the October 2022 Census.

Structure, governance and management

Constitution

E-ACT is a charitable company limited by guarantee (number 06526376) and an exempt charity. E-ACT's memorandum and articles of association are the primary governing documents of the academy trust.

The Board of Trustees are also the Directors of the charitable company for the purposes of Company Law and trustees have overall responsibility for the strategic direction, management and control of the trust and in upholding and securing excellence in governance across E-ACT. The articles of association require members of the charitable company to appoint trustees and ensure that the Board of trustees is no fewer than three people.

Details of the Trustees who served during the year are included in the trustee attendance section. On the date the annual report and financial statements were approved the board had eight trustees (appointed by members under the articles 45-50).

There are five trustee committees that support the Board of Trustees in the discharge of these responsibilities. The operational management of E-ACT across 28 academies is the Chief Executive Officer (CEO) and their Executive Leadership Team (ELT)

Member Liability

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

Trustees indemnities

There are no qualifying third party, commercial, indemnity provisions. The trust is a member of the DfE's RPA (risk protection arrangement). The risk protection arrangement is an alternative to commercial insurance for academy trusts. Under RPA, the UK government covers the losses of commercial insurance including trustees and other's liability cover.

Method of recruitment and appointment or election of trustees

The Articles of Association require the appointment of no fewer than three trustees of the charitable company but (unless determined by ordinary resolution) shall not be subject to a maximum. The term of office of a trustee is usually four years and this is renewable subject to reappointment at the end of the term of office. During the year under review three trustees completed their term of office and ceased their role as a trustee with three new trustees appointed.

Processes for recruitment and appointment as determined in the Articles, permit members and the sponsor to decide upon processes such as a national external advert or through recommendation, all with supporting application, interviews and required statutory safeguarding checks. Trustees are appointed according to the knowledge, skill and expertise necessary in fulfilling a vacancy on the Board at that time. The current diversity of professional expertise on the Board of Trustees spanning risk management, finance, legal, education and operations secures robust questioning and holding to account of the Executive Leadership Team (ELT).

Policies and procedures adopted for the induction and training of trustees

Upon appointment a new trustee receives an induction programme that includes;

- Welcome meetings with the Chief Executive Officer and the Executive Leadership Team.
- A welcome pack that includes policies such as The Child Protection and Safeguarding policy, conflict of interest policy, trustee expenses policy, code of conduct and expectations for trustees in fulfilling their role as exemplified in the Charity Commission guidance.
- The E-ACT core purpose and strategy as well as the Articles of Association and the Terms of Reference for full Board and the respective committees the trustee is appointed to, previous papers and minutes for the committees and trust board.

- Visits to academies to meet staff and pupils coordinated by the Executive Leadership Team and governance team.

Throughout the year trustees undertake briefings and training sessions delivered by a range of senior colleagues from the trust. This is in addition to regular communications from the Chief Executive Officer and the Executive Leadership Team, ensuring trustees are kept up to date on the latest developments.

Organisational structure and our model of governance

The management structure of the trust has five layers:

- Members
- Board of Trustees and trustee committees
- The Executive Leadership Team
- The Education Directors and Operational functions leads
- Headteachers and their senior leadership teams

The Board of Trustees: Trustee Committees

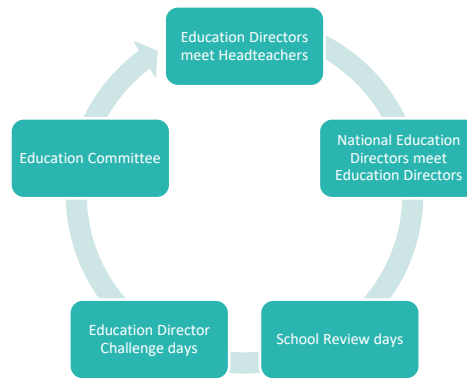
The Executive Leadership Team are held to account on educational performance, finance and audit and risk, by the Board of Trustees and five trustee sub committees;

- Education Committee.
- Personnel Committee.
- Finance Committee.
- Audit and Risk Committee.
- Remuneration Committee.

The Executive present a range of evidence, in papers, for scrutiny by trustees. The papers arise from findings and performance at the Challenge days and Operational monthly meetings and from focus items considered relevant in delivering our strategic objectives.

Executive assurance

Within the governance model, the Executive Leadership Team (ELT) hold Education Directors, Headteachers and operational function leads to account for educational and operational performance.



Rolling assurance happens regularly through regular line management meetings between head teachers and Education Directors and Education Directors and National Directors of Education. This is mirrored with business partner and the head of operational functions.

School review days provide the formal governance scrutiny for the schools' overall performance and operational compliance and run once or twice a year depending on the risk level of the academy. ELT also examine education directors' assessment of risk and progress across their schools at termly challenge days. These are done in collaboration with operational function leads, to analyse evidence gathered through rolling assurance and School Review Days.

Throughout 2023 the trust moved to a national operational model. This has created a nationally consistent approach that ensures issues are resolved locally but with expert oversight from sector leaders in their respective fields. Meaning our academies get a gold standard professional service. Local business partners build relationships with a group of academies but have standardised operating practices and consistent processes.

The scheme of delegation sets out roles and responsibilities for decision making throughout the layers of the management structure.

E-ACT academy ambassadors

Our volunteer E-ACT ambassadors play a crucial role in connecting our academies to the communities we serve, as well as being an independent group who can support as well as challenge the thinking of each Academy SLT. The role of the ambassadors for each academy involves;

- Supporting the academy in directing efforts to engage with our local communities, including parents and community stakeholders.
- Promote the work of the academy and its pupils in the local community and nationally.
- Advocate to the trust board on behalf of the academy, holding to account the executive governance.
- Work with the stakeholders and the community as part of E-ACT's Opening Minds, Opening Doors strategy. Examples include:

- Nurture and develop the academy's community hub to ensure pupils are able to learn.
- Be part of the trust's initiative of developing sustainable and carbon neutral academies.
- Support careers and cultural capital initiatives for the benefit of pupils
- Have a role with complaints, hearing, and permanent exclusion panels.

The trust requires academies to have a team of ambassadors which should include two parents alongside community representatives who have key relationships within the localities we serve. The dialogue with parents in our communities secures a unique working relationship locally.

A regular, at least termly virtual call brings together Chairs of Ambassadors, the Chair of the Board, the CEO and our dedicated trustee who leads ambassadorial work. These calls also give ambassadors the opportunity to share feedback and hear about how the trust was developing plans.

Our E-ACT ambassadors have a direct link to the Board of Trustees through our nominated trustee, Dr Cameron Pyke. The Chair of the Board of Trustees approves the appointment of the chairs of ambassadors and ambassadors have a direct line to the trustees through their respective chairs.

Arrangements for setting pay and remuneration of key management personnel

The trust has an established Remuneration Committee (REMCo) which meets a minimum of twice a year. The committee will meet as matters arise. The remaining four committees work on a cycle of meeting three times per year.

REMCo approves the teacher pay policy and pay policy and remit for professional services pay. E-ACT removed performance related pay for main scale teachers in 2018, the teacher pay policy and teacher appraisal policy were both updated to reflect this.

The terms of reference for REMCo set out a clear remit for reviewing how E-ACT designs and operates its pay and benefits policies in such a way as to motivate staff and ensure compliance with reporting requirements. This includes relevant legal and regulatory requirements, the provisions and recommendations of governance codes, the ESFA Academy Trust Handbook and any associated guidance from the Department for Education (DfE). In addition, there is scrutiny of executive pay so that decisions made at REMCo and at the board, are cognisant of and informed by external benchmarking and public value for money.

Trade union facility time

As a trust with more than 49 full time equivalent employees throughout any seven months within the reporting year, the trade union (facility time publication requirements) regulations 2017 require the following data to be published:

Trade union representative and full-time equivalents

Trade union representatives	Full time equivalents
22	22

Percentage of time spent on facility time

Percentage of time	Number of representatives
0%	13
to 50% of working hours	9
51 to 99%	0
100%	0

Total pay bill and facility time costs

Total pay bill:	£96,842,703
Total cost of facility time:	£38,959
Percentage of pay spent on facility time:	0.04%

Paid trade union activities

Hours spent on paid facility time:	424.5
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Hours spent on paid trade union activities: 424.5

Percentage of total paid facility time hours spent on paid TU activities: 100.00%

Related Parties and other Connected Charities and Organisations

E-ACT is a stand-alone Charitable Trust, with no subsidiary, parent company or group structure. The trust does engage with other education organisations in the provision of education across the sector in line with other multi-academy trusts and as expected in our normal course of business.

Engagement with employees (including disabled persons)

The trust is dedicated to achieving a culture of transparency and openness in the way we work. The trust operates a mixture of bulletins, updates, keeping in touch calls, focus groups and CEO staff briefings and messages.



One Trust



Wellbeing



Workload



Professional development

The theme of openness has continued during the year in review, with supported engagement and an opportunity for staff to voice their views via an external independently conducted staff survey.

The initial survey in June 2022 promoted the establishment of four working groups on key areas that were identified for improvement. These groups were led from within the organisation’s middle leadership, allowing front line staff identify common issues, share best practice, and put forward solutions to be adopted by the trust or at an academy level.

Through these working groups the trust has; developed best practice guidance on issues like menopause, provided tools and training on use of Microsoft packages and new technology like AI, developed a new intranet site and reviewed its training and development offer and approach.

In the June 2023 staff survey the impact of this staff engagement can be seen, with E-ACT performing above national benchmarks for all areas.



In May 2023 over 100 staff, trustees and members came together to review the organisational strategy and contribute to its next iteration. Bringing together a wide range of experts with experience of the organisation at all levels. The day captured a wide range of voices reflecting on progress that’s been made and what the future might look like. All participants contributed to activities and discussion that analysed the complex sometimes competing priorities and made suggestions about how to navigate these choices.

This fed into the development of Opening Minds, Opening Doors 2023-2027. The strategy encapsulates the cultural fabric that nurtures our staff to flourish in their respective roles, by co-constructing the essence of an extraordinary workplace and learning environment.

During the year in review, the above has also been support with our ongoing visits of trustees to our Academies, our ‘confidential’ email box for staff to use and our employee assistance programme 24/7.

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

As part of the central procurement teams remit and that of local operations the trust has developed good relationships with our supply base. As we have come out of the impacts of Covid the trust has been able to quickly re-establish and develop ‘normal’ business as usual working relationships and practices.

The trust has a number of ‘key suppliers’ whose service is fundamental to both the capital and operational sides of our organisation. Regular engagement with our suppliers is part of our daily work, covering quality and performance as well as assurance and risk that’s suppliers may be facing. All suppliers we engage with are treated with respect and dignity recognising the importance that any work or service provided has on the education on our pupils. Our procurement function ensures that the relationships that we have remain at arm’s length to ensure we can maximise value for money and adhere to the requirements of public procurement and best practice.

Objectives for the year, strategies, and activities

Public Benefit

As stated within our governing documents the trust’s objects are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools, offering a broad and balanced curriculum for educational institutions which are principally concerned with providing education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them or 16 to 19 Academies offering a curriculum appropriate to the needs of its students.

The trust upholds its charitable by establishing, maintaining, carrying on, managing and developing its academies. The trust strives to develop academies of excellence delivering high-quality education through an ambitious and knowledge rich curriculum.

Strategic priorities

2023 was the return to pre-pandemic standards in national testing and examinations. Against the 2019 standards E-ACT has improved at all key stages. We have emerged from the pandemic era with above national standards in KS2 SATS, and significant improvement in GCSE attainment, particularly in English and in maths. More young people than ever before are progressing into university, apprenticeships and meaningful employment.

E-ACT academies continue to perform strongly under inspection. Our Ofsted profile remains the highest in the sector with 93% of our academies rated good or outstanding. 100% of academies are rated as good or outstanding for leadership and for the personal development of children.

As part of updating Opening Minds, Opening Doors the trust has refocused around three strategic priorities:



Key performance indicators

As a trust, from Academy and head teacher level, through Education Director, Executive and Board level, the trust looks at a number of performance indicators, including financial and educational, in relation to the outcomes for our students and pupils. These include, but are not limited to;

- Examination results and progress 8 scores.
- The improvement of our individual academies throughout the year.
- Ofsted results achieved.
- The management of the budget and performance against budget.

Modern slavery and human trafficking

As reported on the trust's website, E-ACT recognises that it has a responsibility to take a vigorous approach to modern slavery and human trafficking. Our trust is committed to preventing slavery and human trafficking within its activities and to ensuring that our supply chains are free from this.

As part of our process for onboarding of new suppliers, and subject to turnover limits we request details of the organisations modern slavery policy for review. A retrospective check is also carried out on key suppliers at the end of the academic year.

E-ACT uses a number of frameworks for procurement, the due diligence in relation to slavery and human trafficking is part of the process of being recognised on such platforms.

Going concern

Going concern is assessed during the budget process and relevant budget approval. The trust has a number of key indicators to assist the assessment of being a going concern, these include;

- The level of unrestricted reserves held within the trust's balance sheet.
- The coming year's budget and known fiscal environment.
- Further risks facing the trust and the management of these risks.
- Pupil numbers across the trust.
- Careful management of the trust's cash position.

The board of trustees has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future and is monitoring the uncertain economic environment the county is currently in. E-ACT 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.

Promoting the success of the company – Section 172 Statement

The trustees fulfil their duty to promote the success of the Charitable Company, under Section 172 of the Companies Act 2006 (the Act) and consider the interests of the trust when making decisions.

The trust's charitable objectives are summarised as:

- To advance for the public benefit education in the United Kingdom.
- To promote for the benefit of the inhabitants of the areas in which the Academies are located.
- To provide, in the areas in which the Academies are located, childcare facilities and adult training.
- To promote the physical, intellectual and social development of primarily but not exclusively children under five.

These are the aims of the trust. To be successful the trust has to engage with stakeholders including employees and suppliers in line with the above. The trust has a positive impact on the communities around each school by way of meeting its charitable objectives in providing quality education and the use of its facilities.

Plans for the future

The trust has embedded a number of significant leadership roles into the organisation. National Education Directors for Primary, Secondary and SEND have this year delivered a number of key initiatives that have accelerated school improvement and created the capacity to manage E-ACT's next phase of growth.

The trust has been approved for trust growth by the Director General John Edwards and Baroness Diana Barran, and is exploring partnerships that could lead to growth.

As part of the DfE's programme to build capacity in the sector E-ACT have agreed a significant volume of support with the North-West region. This includes working with a number of secondary schools to raise standards in English and maths.

Financial review

Income received by the trust is predominately from the DfE and the ESFA, with smaller amounts of income coming from local authorities and self-generated. The grants received from the DfE and the ESFA during the year ended 31 August 2023 and the associated expenditure are reported within the Statement of Financial Activities (SOFA)

The SOFA reports total income for the year of £144.1m, of which £136.8m was funding received from the DfE and ESFA for academy operations and £4.0m was in the form of capital grants or gifted assets.

The total expenditure for the year was £146.8m, of which £1.6m was Local Government Pension Scheme operational and finance costs, and £9.7m was depreciation charges. The actuarial gain on our LGPS pension funds for the year was £16.5m.

£2.9m of revenue funds were applied against the fixed asset reserve at year end in relation to capital investment made during the year, to supplement £4.0m of investment in fixed assets from restricted capital funding.

At 31 August 2023, Restricted Reserves totalled £211m and Unrestricted Reserves totalled £0.9m. The Restricted Reserves comprise £199.5m in Fixed Asset Reserves, a negative £4.5m deficit in Pension Reserves, and £16.1m surplus in Restricted General Funds.

The trust is working on a number of initiatives in order to utilise some of the reserves for investment back into education whilst being cognisant of the imminent impact that the increase in inflation and in particular energy costs will have on our financial position as well as the increase in costs of capital works. Previous financial years saw an increase in the trust's reserves which were as a result of our academies being locked down during the coronavirus outbreak and hence costs such as heating and supply cover not being incurred on the same scale as usual. The year in review has again seen an increase in distributable revenue reserves of £1.7m, this is largely due to elements of capital spend that, albeit forecast, did not occur until after the 31 August year end accounting cut off. In addition earlier than expected benefits of our work on Curriculum Led Financial Planning and the operational review which resulted in reductions in expenditure through sharing of resources across our schools.

The accounts have been prepared on a going concern basis but the aforementioned deficit resulting from the Local Government Pension Funds is required to be shown as a liability on the balance sheet by Financial Reporting Standards (FRS).

The principal sources of income are government grants accounting for 98% of E-ACT's income. Revenue and small capital grants are paid annually to each academy, together with a larger capital grant that is received by E-ACT and allocated on a needs basis, to the academies.

The trustees continue to plan and deploy net incoming resources to investing in the educational purposes and fabric of our academies. These grants and associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

As an academy trust, the parents and pupils in E-ACT's academies have the assurance that all of our income must be and is applied for educational purposes. As an educational charity, E-ACT benefits from tax exemption on our educational activities and on its investment income and gains, provided these are applied for our charitable aims. E-ACT is also entitled to an 80% reduction on business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are applied for educational purposes. E-ACT does, however, pay tax as an employer through the national insurance contributions that it makes.

In addition to the very substantial benefits E-ACT's academies brings to its pupils, the local community and society through the education it offers, our programme of community interaction and the letting out of our premises enables an even larger number of people to take advantage of our facilities.

E-ACT academies' ability to undertake effective financial forward planning is heavily dependent on DfE funding announcements. Whilst at the moment the trust is in a financially secure position, there remains anxiety over medium term funding with respect to any financial measures the government puts in place in order to address the national deficit and economic pressures we are currently experiencing.

Reserves policy

E-ACT is predominately funded on a monthly basis by DfE/ESFA grants and income which fairly matches expenditure, with around 75% of this being spent on teaching and other staffing.

The Master Funding agreement, which was agreed with the DfE and signed by the Board of Trustees in March 2016, enables funding to be carried forward without restriction.

At the year end, distributable (revenue) reserves amounted to £17m, which is an increase of £1.7m from the previous year. This will be used to cover delayed capital projects and other earmarked reserve spend during the next financial year. The trustees' aim is to manage the reserves in line with the Department for Education's guidance on the carry forward of reserves.

The Local Government Pension Scheme (LGPS) liabilities are recognised in the accounts as a deficit within restricted funds (£4.5m); however, this does not mean there is an immediate liability for the total amount.

E-ACT has no recourse to other revenue income streams of any significance and maintaining a level of reserves is essential to protect the trust against future potential financial risk. The operating reserves at 31 August 2023 total £17m (£16.0m restricted plus £0.9m unrestricted).

In 2020, and regularly reviewed since then, the trustees considered the minimum level of reserves required for the organisation and they are as follows:

- 5.5% of GAG for general use linked to E-ACT's charitable objects.

- 1% of turnover to fund future estate's needs.
- 1% of turnover to fund future ICT needs.

These have not been amended during the following financial years and as at year end there are currently no plans by the trust to change this policy though it remains under regular review. Academies, regions and the national teams continue to prepare financial forward plans alongside the annual budget and actively maintain a risk register to enable the trust to foresee potential issues that might affect the viability.

The trust has no plans to hold a level of reserves above policy, for any length of time. Trustees are working with senior management to ensure appropriate targeted educational investment of surplus funds is achieved and linked to the trust's strategy.

Investment policy

The Board of Trustees, on the recommendation of the Finance Committee, originally approved a revised Treasury Management Policy in July 2014. This remains in place and has not been amended, following the cyclical reviews, in subsequent years. The principal consideration in this policy is risk minimisation. During the year all temporary cash deposits were invested with UK high street banks only. E-ACT did not hold any other investments.

Principal risks and uncertainties

E-ACT has continued to develop its management, awareness and practices seen in previous years. E-ACT's internal audit team worked closely with the Executive Team to determine areas of strength for sharing and developing wider improvements. Risk management practices remain present and focused across the academies within the trust.

Safeguarding is considered as a strength of the trust however this does not deter us from the ongoing focus the trust has on this area of risk. The welfare and safety of our students remains paramount in our daily discussions.

The risk associated with IT delivery and systems continues to remain significant during the last 12 months, with cyber threats becoming more sophisticated and requiring increased technical defences.

Poor estates management resulting in critical health and safety incidents and operational building failures is a risk to the trust with 28 school estates of varying ages. We manage this risk by allocating capital funding based on up-to-date condition surveys, which categorise works, highlighting those that need addressing urgently to prevent building closure or health and safety incidents. Routine preventive maintenance is carried out across all sites and monitored by the national estates team and regular health and safety compliance checks are also recorded and monitored by the national team to ensure legal compliance.

As highlighted in previous sections, the economic environment remains an uncertain risk that the trust continues to monitor. Government pay awards which have not been funded, along with increasing energy, catering and general inflationary pressures will continue to put pressure on the financial position of the organisation.

The trust is experiencing some drops of pupils in some geographical areas especially for Primary, in line with the changing demographics. This will effect all schools and academies in these locations. This is currently a managed risk, with the trust having a focus and regular reporting on pupil numbers, both against budget and capacity, and a growth strategy that considers growth within schools as well as extending reach.

Fundraising

The academy trust does not use external fundraisers. During the year no fundraising activities took place at the trust.

Streamline Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2022 to 31 August 2023	2021/22	2022/23
Energy consumption used to calculate emissions (kWh)	29,252,629	28,510,873
Energy consumption break down (kWh) (optional)	18,789,556	18,631,243
<ul style="list-style-type: none"> • Gas • Electricity • Transport fuel 	10,019,972 443,100	9,270,566, 609,064
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	3,429.8	3,408.20
Owned transport – mini busses	15.7	22.4
Total scope 1	3,445.50	3,430.60
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	1,937.7	1,919.70
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	93.9	125.8
Total gross emissions in metric tonnes CO2e	5,547.1	5,479.70
Intensity Ratio		
Tonnes CO2e per pupil	0.309	0.307

Quantification and Reporting Methodology:-

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

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The Trust is committed to reducing emissions and this year has seen the implementation of the following energy efficiency measures:

- At the end of the academic year, 53 of the trusts 62 electricity meters provided ½ hourly consumption information to a central dashboard.
- Space optimisation surveys have been carried out at Bourne End, Ilminster Avenue, City Heights, Crest, DSLV and The Parker. The aim is to identify ways of using spaces more efficiently, closing off areas that do not need to be heated. At Crest, the survey has resulted in the mothballing of a complete floor level – over 2000m² of classroom space now not needing to be heated. Further changes are being planned at the other schools listed.
- Work has started in developing an End User Engagement Programme designed to influence the behaviour of building users with the aim of reducing energy consumption and introduce “green” messages into the curriculum.
- Replacement of timber, single glazed windows to corridors at Blackley with energy efficient, double-glazed units.
- A range of focused internal LED conversions at Parkwood, Pathways, Heartlands, Royton, NBA, Reedswood, Shenley and West Walsall – estimated annual savings of 117,000kW/Hr.
- Replace external lighting at Pathways with LED – estimated annual saving of 1,755kW/Hr.
- Convert external sports pitch lighting to LED at NBA, Heartlands, West Walsall and Parkwood – estimated annual saving of 56,185kW/Hr.
- New boilers at Badocks Wood, Nechells, Ilminster Av. and Reedswood – estimated 20% more efficient.
- New gas boiler installed at Blackley to replace old inefficient oil-fired.
- Initial designs to install PV installations on 27 of 28 academies have been completed and 2 contractors procured. By the end of August, 2 of the installations had been completed – NBA and Heartlands, with a combined estimated annual generating capacity of 266,000kW/Hr.
- All PV and LED installations will be completed in the 23/24 financial year.
- EV Charging points installed at Crest and Perry Court.

Funds held as Custodian Trustees on behalf of others

E-ACT does not hold any funds as custodian trustee.

Auditor

Insofar as the trustees are aware:

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

The trustees report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company's directors on 5th December 2023 and signed on the board's behalf by:



Jim Knight

Chair of the Board of Trustees



Tom Campbell

Accounting Officer

Governance Statement

Trustee Attendance

Board of Trustees

Name	15.09.2022	15.12.2022	15.03.2023	17.05.2023	04.07.2023
Lord James Knight (Chair)	*	*	*	*	*
Jean Scott	*	*	*		
Theresa Keating	A	A	*		
Brian Lightman	*	*	*	*	*
Dr Cameron Pyke	*	*	*	A	*
Pamela Coles	*	A	*	*	*
Nadeem Kiyani	*	*	*	*	*
Gurpreet Dehal	*	*			
John Murphy				A	A
David Roper				A	*
Roohi Collins				*	*

Audit and Risk Committee

Name	01.11.2022	07.02.2023	14.06.2023
Nadeem Kiyani	*	*	*
Theresa Keating	*	A	
Pamela Coles	*	*	*
Gurpreet Dehal	*	*	
Roohi Collins			*
David Roper			*
Lord James Knight	*	*	*

Finance Committee

Name	01.11.2022	07.02.2023	14.06.2023
Nadeem Kiyani	*	A	*
Theresa Keating	*	*	
Pamela Coles	*	*	*
Lord James Knight	*	*	*

Personnel Committee

Name	02.11.2022	08.02.2023	16.06.2023
Brian Lightman	*	*	A
Dr Cameron Pyke	*	*	*
Jean Scott	*	*	
Gurpreet Dehal	*	*	
Roohi Collins			*
David Roper			*
Lord James Knight	*	*	*

Education Committee

Name	02.11.2022	02.03.2023	19.06.2023
Brian Lightman	*	*	*
Dr Cameron Pyke	*	*	*
Jean Scott	*	*	
David Roper			*
John Murphy			*

Remuneration Committee

Name	28.10.2022	15.12.2022	10.02.2023	22.06.2023
Pamela Coles (Chair)	*	A	*	*
Brian Lightman	*	*	*	*
Gurpreet Dehal	*	*		
Cameron Pyke				*

Members

Members	Appointed
Pamela Coles	13.01.2020
Karen Seward	15.02.2023
Liz Bromley	15.02.2023
Mark Martin	15.02.2023
Andrew Pear	10.12.2020
Jean Scott	24.05.2023

The members held their AGM on 24th May 2023

Additional

Members	Appointed	Left
Bryan Winchester	24.03.2016	15.02.2023

Trustees	Appointed	Left
Jean Scott	11.12.2014	16.03.2023
Theresa Keating	15.05.2015	16.03.2023
Gurpreet Dehal	05.11.2017	08.02.2023

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between E-ACT Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

The board may be comprised of no fewer than three people and currently consists of eight trustees, not counting the Chief Executive Officer. All members of the Board of Trustees are unpaid in their role as trustees.

The Board met formally five times during the 2022 – 2023 academic year. Attendance at the Board of Trustees and at the respective committees are listed in a table above. At the end of the 2022 – 2023 academic year, the Board of Trustees comprised the following:

- Eight trustees appointed by the members (articles 45-50)
- The Chief Executive, as an ex-officio trustee (articles 50B and 50)

At the time of approving the accounts, the Board of Trustees currently comprises the following: Eight trustees appointed by the members (articles 45-50).

Lord Jim Knight – Chair of the Board of Trustees

Dr Cameron Pyke – Vice Chair of the Board and Chair of the Personnel Committee

Pamela Coles – Chair of the Remuneration Committee and Member

Brian Lightman – Chair of the Educations Committee

Nadeem Kiyani – Chair of the Finance Committee

David Roper – Chair of the Audit and Risk Committee

John Murphy – Trustee

Roohi Collins – Trustee

The composition of the board changed during the year with three trustees stepping down from their roles at the end of two terms of office and being replaced. The number of trustees remained at 8 with active recruitment to increase this to 12. One trustee remains the portfolio holder for safeguarding (John Murphy) and another trustee has the portfolio for oversight of special educational needs and disabilities. SEND (Dr Cameron Pike). The Vice Chair of the Board continues to hold the role of the senior independent trustee.

The Board of Trustees continues to review its effectiveness through regular reviews and the desire to continually reflect upon professional development needs and seek opportunities for additional training throughout the year. This included a positive follow up to the July 2022 external review of governance.

In line with the trusts Conflicts of Interest policy, trustees, members, the Executive Team and members of academy senior leadership teams are required to declare their interests in connection with their role in E-ACT. In addition, an agenda point, requesting declaration of any conflicts of interests is included in all Full Board and Committee Agendas. Should a conflict arise, managing the situation would include;

- The member absenting themselves from any discussions in relation to the matter;
- Not taking part in any vote on the matter; and not being counted in the quorum in relation to that decision.
- Minutes of the meetings of trustees at which conflicts are an issue will record the nature of the conflict and determinations regarding the conflict;
- The relevant person's non-participation with respect to consideration of the matter;
- Any limitation on the person's ability to act with respect to such matter;
- Any alternatives that were discussed;
- The names of persons present for discussion; and the votes taken regarding the conflict.

At the close of 2022 – 2023 the trust had six members.

Committee composition

The Board of Trustees appoints members of each of the five trustee committees.

- Education
- Personnel
- Audit and Risk
- Finance
- Remuneration

The Executive Leadership Team (ELT) attend four of the five committees through standing invite. The Chief Executive Officer attends the Remuneration Committee and other members of the Executive Team may be invited to attend, determined by agenda items.

Between the formal committee cycle of meetings, the chair of each committee works with their lead ELT colleague for the respective committee to ensure continuity of discussion and keeping up to date on items such as Ofsted findings, financial performance, strategy and staffing. This structure ensures that agenda items for each committee take account of emerging issues.

Throughout the year, the external firm, Bishop Fleming, held a meeting with the Audit and Risk committee to discuss the findings in their report. There is also a closed session available for external auditors and the trustees before approval of the annual accounts.

The Board of Trustees

The five trustee committees support the Board of Trustees in discharging their statutory strategic and governance responsibilities. The operational management of E-ACT across 28 Academies is delegated to the Chief Executive Officer (CEO) and their Executive Leadership Team (ELT).

In the normal annual governance cycle for the trust, the Board of Trustees meets five times a year with three cycles of the four trustee committee meetings and a cycle of two meetings for REMCo.

Through the scheme of delegation and terms of reference for each committee, the committees work with the Executive leadership Team on strategy and vision for the trust and the committees have delegated authority on key decisions. The Chair of each committee reports to the full Board of Trustees and the committees have authority and responsibility to raise matters to the full board for further decisions and consideration.

Through the national model of governance, the Board of Trustee meetings receive summaries from the Executive Leadership Team about their work to hold Education Directors and operational function leads to account for their areas of responsibility. The Executive examine education directors' assessment of risk and progress across their schools at termly challenge days. These are done in collaboration with operational function leads, to analyse evidence gathered through rolling assurance and School Review Days.

Throughout each cycle of meetings at full board and committee meetings, the trustees hold the Executive Leadership Team to account for the impact of the core strategy in education and operations. The remit of the five committees is explained below.

The Remuneration Committee (REMCo) approves the pay progression for the CEO and Deputy CEO. In addition to scrutinising ELT and Head Teachers pay progression It receives recommendations from the Personnel Committee about executive appraisal outcomes and targets for the year ahead. The committee approves and monitors the total remuneration, any ex-gratia payments of above £15,000. The committee approves reporting requirements set out in the ESFA publications and guidance. This includes the publication of the number of employees benefits that exceed £100k. The Committee met four times during the year.

Audit and Risk Committee is a committee of the Board of Trustees and has a cycle of meeting three times a year. The terms of reference for the Audit and Risk Committee set out the core function as ensuring the quality and integrity of the organisations risk management framework, accounting and reporting practices, controls and financial statements, legal and regularity compliance, the auditor's qualifications and independence and the performance of the organisations internal audit function and independent auditors. Annually the internal audit team plan the internal audits for the forthcoming year. The internal audits provide assurance to trustees regarding compliance and control.

The Finance Committee is a committee of the Board of Trustees and has a cycle of meeting three times a year. The overall purpose of the committee is to support the Board of Trustees to uphold and ensure the very best maintenance of systems of financial management and control to assure financial probity and transparency and effective financial stewardship and management of the organisation.

The Education Committee is a committee of the Board of Trustees and provides strategic direction and scrutiny in assessing how well the trust raises standards and improves educational outcomes, for all pupils in our academies. Throughout the academic year the committee will have focus items which provide trustees opportunities to deep dive into subjects aligned with the trust's strategy. The remit of the committee includes scrutiny of reporting about safeguarding of pupils and the upholding of the trustee's duties as prescribed in the DfE governance handbook in relation to the evaluation of the quality of education for pupil premium children, looked after children and for pupils with special education needs and disabilities (SEND). During 2022 – 2023 the Education Committee met three times.

The Personnel Committee is a committee of the Board of Trustees and is responsible for overseeing trust-wide personnel matters. The committee also updates REMCo on items related to remuneration and performance targets for the executive team. The remit of the Personnel Committee includes scrutiny of the organisational and workforce strategy through the People Development Plan, the impact of the work to attract, retain and develop talent through innovative career planning and motivational coaching for succession planning. In addition, the Personnel Committee seeks to use staff voice and feedback to help the trust develop its support network to care for the wellbeing of our people. The Personnel Committee had focussed items on the agenda throughout the year, this enabled trustees to hold ELT to account. The Personnel Committee met three times during the year.

Review of Value for Money

As Accounting Officer, the Chief Executive Officer (CEO) has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers whether 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 use of benchmarking data where appropriate. The Accounting Officer for the trust has delivered improved value for money during the year, which included;

- Developing and ensuring there is an effective control environment and governance framework, including an external governance review taking place in year.
- Reviewing and developing the trusts academy and education strategy, in particular the introduction of three internal educational boards who have a primary focus on developing performance, learning and curriculum, to ensure the trust is delivering the best possible education for our students.
- An external review of operations to ensure the trust has the most effective model going forward.
- Roll out of Curriculum Led Financial Planning (CLFP) to optimise the deployment of teaching resources in our academies.

System of internal control

The system of internal control is designed to manage risk to a level that suits within an appetite agreed for the trust rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised. It also considers how risks are managed and whether they are deemed efficient, effective and economic.

A number of methods are utilised including internal scrutiny by the committees and the internal audit team, user experience, and objective data sets. These are combined to provide trustees and our regulators with the assurance that frameworks for internal control are functioning effectively and in line with expectations.

The system of internal control is complementary to the external control functions operated by our external auditors and Bishop Fleming and in scrutiny through bodies such as Ofsted. The system of internal control has been in place in E-ACT multi-academy trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of this annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which E-ACT may be exposed. Taking into consideration the operating, financial and compliance controls that the trust has implemented. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

If a conflict of interest arises at a local academy level, the trust ensures this is managed via approval from the CFO in advance of any potential related party transaction. The conflict would then be managed in line with the conflicts of interest policy, highlighted in the Governance section above.

The risk and control framework

The trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular, it includes;

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are viewed and agreed with the Board of Trustees.
- Reviews by the Finance Committee and the Audit and Risk Committee of reports which indicate financial performance against the forecasts of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing policies.
- Delegation of authority and segregation of duties.
- Identification and management of risks at each committee with key risks discussed with full Board.

The trust employs its own internal auditors and in the year in review recruited the services of an external firm, Bishop Fleming to supplement the work of the in house team and provide an additional level of control.

The internal audit provision within the trust meets the statutory financial obligations within the Academies Trust Handbook. The function exceeds the requirements by undertaking wider reviews across all facets of the trust and is driven by continual improvement and validation.

During the year, the internal audit team delivered internal audits, covering a range of both academy and regional reviews for education and operations. This is in addition to the work of Bishop Fleming which focused on financial controls.

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 audit team and Bishop Fleming.
- The work of the external auditor.
- The financial management and governance self-assessment process.
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Finance Committees and a plan to address weaknesses (if relevant) and ensure continuous improvement of the system is in place.

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



Jim Knight

Chair of the Board of Trustees



Tom Campbell

Accounting Officer

Statement of regularity, propriety and compliance

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

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



Tom Campbell

Chief Executive and Accounting Officer

5 December 2023

Statement of trustees' responsibilities

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

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP, FRS 102 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 on 5 December 2023 and signed on its behalf by:



Jim Knight

Chair of the Board of Trustees



Tom Campbell

Chief Executive Officer and
Accounting Officer

Independent auditor's report to the members of E-ACT

Opinion

We have audited the financial statements of E-ACT (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2019) and the Academies Accounts Direction 2022 to 2023.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its income and expenditure, for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP, FRS 102 and Academies Accounts Direction 2022 to 2023.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other

ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 trustees' responsibilities statement, the trustees (who are also the directors 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in

respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP, FRS 102, the Academies Accounts Direction 2021 to 2022, the Academies Trust Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and

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

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

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

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

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

Use of our report

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



Date: 19 December 2023

Katharine Patel (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Independent reporting accountant's assurance report on regularity to E-ACT and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter 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 E-ACT during the period from 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 E-ACT and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the E-ACT and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the E-ACT and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of E-ACT's Accounting Officer and the reporting auditor

The Accounting Officer is responsible, under the requirements of E-ACT's funding agreement with the Secretary of State for Education and the Academies Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 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.

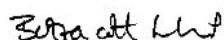
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

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

Conclusion

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



Date: 19 December 2023

Buzzacott LLP,
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Financial Statements

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

All Academies						
		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 31 August 2023	Total 31 August 2022
	Note	£'000	£'000	£'000	£'000	£'000
Income from:						
Donations and Capital grant	3	185	-	4,001	4,186	17,488
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	4	611	136,784	-	137,395	128,514
Other trading activities	5	1,640	-	-	1,640	1,609
Investments	6	909	-	-	909	169
Total		3,345	136,784	4,001	144,130	147,780
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust's educational operations	9	987	136,140	9,690	146,817	146,556
Total		987	136,140	9,690	146,817	146,556
Net income (expenditure)		2,358	644	(5,689)	(2,687)	1,224
Transfer between funds	19	(2,906)	-	2,906	-	-
		(548)	644	(2,783)	(2,687)	1,224
Other recognised gains						
Actuarial gains on defined benefit pension schemes.	31	-	16,470	-	16,470	82,246
Net movement in funds		(548)	17,114	(2,783)	13,783	83,470
Reconciliation of funds						
Total funds brought forward		1,492	(5,595)	202,326	198,223	114,753
Total funds carried forward		944	11,519	199,543	212,006	198,223

Under E-ACT's funding agreement, the trust is permitted to transfer funds from within unrestricted funds to restricted general funds, and also from restricted general funds to restricted fixed asset funds. During the year and as planned, the trust moved unrestricted funds to cover fixed asset spend.

Balance Sheet 31 August 2023

Company Number 06526376

		E-ACT 31 August 2023	E-ACT 31 August 2022
	Notes	£'000	£'000
Fixed Assets			
Intangible assets	13	122	-
Tangible assets	14	199,112	202,091
		199,234	202,091
Current Assets			
Stock	15	58	35
Debtors	16	6,339	6,036
Cash at bank and in hand		28,770	27,730
		35,167	33,801
Liabilities			
Creditors: Amount falling due within one year	17	(17,765)	(18,126)
Net current assets		17,402	15,675
Total assets less current liabilities		216,636	217,766
Creditors: Amounts falling due after more than one year	18	(98)	(149)
Net assets excluding pension scheme liability		216,538	217,617
Defined benefit pensions scheme liability	31	(4,532)	(19,394)
Total net assets		212,006	198,223

Funds of the academy trust:

Restricted funds

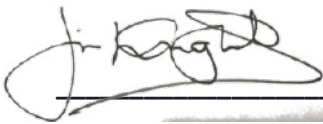
Fixed asset fund	19	199,543	202,326
Restricted income fund	19	16,051	13,799
Pension Reserve	19	(4,532)	(19,394)

Total restricted funds **211,062** **196,731**

Unrestricted income funds	19	944	1,492
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Total funds **212,006** **198,223**

The financial statements on pages 45 to 76 were approved by the trustees and authorised for issue on 5th December 2023 and signed on their behalf by:



Lord Jim Knight

Chair of E-ACT



Tom Campbell

Chief Executive Officer and Accounting Officer

Cash flow statement for the year ended 31 August 2023

	Notes	31 August 2023 £'000	31 August 2022 £'000
Cash Flow from operating activities			
Net cash provided by operating activities	23	3,013	6,250
Cash flows from investing activities	25	(1,922)	(2,894)
Cash flows from financing activities	24	(51)	(51)
Change in cash and cash equivalents in reporting period		1,040	3,305
Cash and cash equivalents at 1 September 2022		27,730	24,425
Cash and cash equivalents at 31 August 2023	26	28,770	27,730

Notes to the financial statements

1. Accounting policies

Basis of preparation

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

E-ACT meets the definition of a public-funded benefit entity under FRS 102.

Going concern

E-ACT's charitable activities, together with the factors likely to affect its future development, performance and position are set out within this report and the trustees report. In addition, the financial statements include the trust's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial policy, and its exposures to risk. E-ACT has financial resources in the form of reserves together with long-term contracts under the Master Funding Agreement's with the Department for Education. Consequently, the trustees believe that the trust is well placed to manage its business risks successfully despite the current uncertain national economic outlook.

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 trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **Grants receivable**

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

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

Capital grants are recognised when the trust is deemed to be entitled to the funds, subject to any conditions being met. Such conditions may include E-ACT approving and contractually committing to the project being funded; and sufficient funding being secured by E-ACT to fully fund the capital project. Capital grants are not deferred over the life of the asset on which they are expended. Once the income recognition criteria has been met, unspent amounts of capital grants are held within the restricted fixed asset funds.

The academy trust is benefiting from the ESFA's (Priority Schools Building Programme). The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the academy trust controls through lease the site where the development is occurring. Where applicable the expenditure is capitalised in assets under construction until the project is complete.

- **Donations**

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

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion/into the academy trust)**

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

- **Interest receivable**

Interest earned on cash balances is recognised in the Statement of Financial Activities in the period in which it is receivable.

Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Intangible fixed assets

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software – over 3 years, or useful economic life.

Tangible fixed assets

Assets £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost or valuation 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.

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 lives, as follows:-

- Freehold buildings – over 50 years, or useful economic life.
- Leasehold land – over the length of lease, or useful economic life.
- Long leasehold buildings – lower of 50 years, length of lease, or useful economic life.
- Short leasehold buildings – over the period of the lease
- ICT equipment and software – 3 years, or useful economic life.
- Fixtures, fittings and equipment – 5 years, or useful economic life.
- Motor vehicles – 5 years, or useful economic life.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Liabilities

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

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those

amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Investments

The trust has no subsidiaries.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security and 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.

Stock

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

Taxation

E-ACT is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Pensions benefits

Defined benefit schemes

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair

value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income / (expenditure) are the current service costs and the costs of scheme inductions, 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.

Defined contribution scheme

Head office employees historically had the option of joining a defined contribution scheme operated by Scottish Widows. The pension costs for the scheme represent the contributions payable in the period. This is a defined contribution scheme, and contributions for the year amounted to £8.9k

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit valuation depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 31, will impact the carrying amount of the pension valuation.

Where the scheme is estimated to be in a surplus position, under the reporting provisions of FRS102, the academy trust is only able to recognise the surplus as to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. As the academy trust does not anticipate being able to recover the surplus in the aforementioned manner, the surplus is not recognised on the balance sheet, and corresponding adjustments is made within

other recognised gains and losses on the statement of financial activities (as an actuarial loss) to bring the net LGPS position of schemes which are in a surplus position to £nil on the balance sheet.

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.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs, E-ACT has opted not to do this. The funds received and paid and any balances held are disclosed in note 33.

2. General Academy Grant (GAG)

In line with the funding agreement, E-ACT is not subject to limits on the carry forward of GAG.

3. Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total 31 August 2023 £'000	Total 31 August 2022 £'000
Capital grants	-	3,992	3,992	4,702
Donated fixed assets	-	9	9	12,600
Other donations	185	-	185	186
	185	4,001	4,186	17,489

4. Funding for the academy trust's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 31 August 2023 £'000	Total 31 August 2022 £'000
DfE/ESFA Grants				
General Annual Grant (GAG)	-	117,025	117,025	110,543
Other DfE/ESFA grants				
UIFSM	-	512	512	464
Pupil Premium	-	9,232	9,232	8,873
Other DfE/ESFA grants	-	1,260	1,260	1,636
	-	128,029	128,029	121,516
Other Government grants				
Local authority grants	-	6,846	6,846	5,332
Other income from the academy trust's educational operations	611	-	611	426
COVID-19 Additional Funding (DfE/ESFA)				
Recovery and catch-up premium	-	1,909	1,909	1,177
Other DfE/ESFA COVID-19 funding	-	-	-	63
	611	136,784	137,395	128,514
	-	-	-	-

5. Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 31 August 2023 £'000	Total 31 August 2022 £'000
Hire of facilities	739	-	739	627
Income from ancillary trading activities	901	-	901	982
	1,640	-	1,640	1,609

6. Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 31 August 2023 £'000	Total 31 August 2022 £'000
Short term deposits – interest receivable	909	-	909	169
	909	-	909	169

7. Expenditure

	Staff Costs	Premises	Non Pay Expenditure Other Costs	Total 31 August 2023	Total 31 August 2022
	£'000	£'000	£'000	£'000	£'000
Academy's trust's educational operations:					
Direct costs	84,724	-	11,557	96,281	88,986
Allocated support costs	21,427	9,672	19,437	50,536	57,570
	106,151	9,672	30,994	146,817	146,556

Net income/(expenditure) for the period includes:

	Total 31 August 2023	Total 31 August 2022
	£'000	£'000
Operating lease rentals	455	442
Depreciation	9,681	9,981
Loss on disposal of fixed assets	5	1,701
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust's educational operations)	4	1
Fees payable to auditors for:		
- Audit	61	54
- Other services	7	7
	7	7

In the year ended 31 August 2023 there were no compensation payments, gifts, unrecoverable debts or fixed asset, stock or cash losses. The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook 2022 being delegated authority or approval from the Education and Skills Funding Agency. There were no ex-gratia payments during the year ended 31 August 2023, severance payments are disclosed in note 10.

8. Analysis of grants

During the year ended 31 August 2023 the academy trust did not receive any grants requiring separate disclosure other than those set out in note 4.

9. Charitable activities

	Total 31 August 2023	Total 31 August 2022
	£'000	£'000
Direct costs – educational operations	96,281	88,986
Support costs – educational operations	<u>50,536</u>	<u>57,570</u>
	<u>146,817</u>	<u>146,556</u>

Analysis of Support Costs

	Total 2023	Total 2022
	£000	£000
Support staff costs	19,908	25,145
Depreciation and amortisation	9,685	9,982
Technology costs	1,987	2,096
Premises costs	9,672	9,586
Legal fees	249	219
Other support costs	8,951	10,480
Governance costs	<u>84</u>	<u>62</u>
Total support costs	<u>50,536</u>	<u>57,570</u>

10. Staff

a. Staff costs during the period were

	Total 31 August 2023 £'000	Total 31 August 2022 £'000
Wages and salaries	75,581	70,925
Social security costs	7,713	7,302
Pension costs	16,186	21,765
Apprenticeship Levy	365	339
	99,845	100,331
Agency staff costs	4,296	3,351
Staff restructuring costs	127	84
	4,423	3,435
Total staff costs	104,268	103,766
Staff restructuring costs comprise:		
Redundancy Payments	51	-
Severance Payments	52	61
Other restructuring costs	24	23
	127	84

Staff pension costs for the year ended 31 August 2023 include the operating costs of defined benefit pension schemes totalling £794k (2022: £7,598k).

b. Non-Statutory/non-contractual staff severance payments

The academy paid 14 severance payments in the year, disclosed in the following bands

0 - £25,000	14
£25,001 - £50,000	-
£50,001 - £100,000	-
£100,001 - £150,000	-
£150,000+	-

c. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £51,520 (2022: £61,003).

Individually, the payments were: £1, £1, £1, £1, £1, £1, £1, £2,000, £5,087, £6,700, £7,000, £7,000, £11,226 and £12,500

d. Staff numbers

The average number of persons employed by the trust during the period was as follows:

	2023	2022
Teachers	1,034	1,051
Administration and Support	1,310	1,311
Management	112	100
	2,456	2,462

Included within the average number of persons employed by the trust are non-permanent employees who have been paid at some point during the financial year.

e. Higher paid staff

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

	2023 (No.)	2022 (No.)
£60,001–£70,000	70	67
£70,001–£80,000	31	20
£80,001–£90,000	15	10
£90,001–£100,000	9	12
£100,001–£110,000	7	-
£110,001–£120,000	1	3
£120,001–£130,000	4	2
£130,001–£140,000	2	-
£140,001–£150,000	-	1
£150,001–£160,000	-	-
£160,001–£170,000	-	3
£170,001–£180,000	1	-
£180,001–£190,000	-	-
£190,001–£200,000	-	-
£200,001–£210,000	1	1
£210,001–£220,000	-	-
£220,001–£230,001	-	-
£230,001–£240,000	1	-

f. Key Management Personnel

The key management personnel of the academy trust comprise the trustees (who work on a voluntary basis), the senior management team and national directors. These individuals comprise the Central Executive Leadership Team, National Education Directors, Director of Academy Transformation, People & Organisational Development Director, Director of Secondary Outcomes, Director of Academies Finance, National Director of Operational Services, National Director of SEND,

Director of Estates, National Safeguarding Director, National Director Attendance Behaviour & Safeguarding and Director of Trust Performance.

The number of individuals recognised as key management personnel during the year was 16 (2022: 10 as restated) and the total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by these individuals for their services to the academy trust was £2,372,996 (2022: £1,520,964 as restated)

g. Central Services

The trust has provided the following central services to its Academies during the year: Chief Executive's Office, Business Planning and Strategy, Central HR and Training, Legal, Internal and External Communications, IT, Central Finance and Procurement, Governance, Educational Improvement and Estates Support.

As from 2017 the academy trust, in line with the funding agreement with the Department of Education, pools the General Annual Grant (GAG) and therefore does not recharge out central services.

11. Related Party Transactions – Trustee's Remuneration and Expenses

Two trustees have been paid remuneration or have received other benefits from employment with the academy trust in undertaking the role of CEO. Apart from the CEO, the trust does not have any staff trustees.

The value of trustee's remuneration and other benefits was as follows:

Remuneration from 1 September 2022 to 31 August 2023

Jane Millward (Chief Executive Officer):

Remuneration	£ 202,910
Employer's pension contributions:	£ 16,181

Tom Campbell (Chief Executive Officer):

Remuneration	£ 143,333
Employer's pension contributions:	£ 33,478

During the period ended 31 August 2023, travel and subsistence expenses totalling £3,956 (2022: £1,581) were reimbursed or paid directly to 6 trustees (2022: 7 trustees').

12. Trustees' and Officers' Insurance

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

13. Intangible Fixed Assets

	Computer Software £'000	Total £'000
Cost		
At 1 September 2022	94	94
At 31 August 2023	220	220
Amortisation		
At 1 September 2022	94	94
Charged in the year	4	4
Disposals	-	-
At 31 August 2023	98	98
Carrying amount		
At 31 August 2022	-	-
At 31 August 2023	122	122

14. Tangible Fixed Assets

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Furniture and Equipment £'000	Computer Equipment £'000	Motor Vehicles £'000	Assets under construction £'000	Total 31 August £'000
Cost							
At 1 September 2022	9,235	237,610	22,114	8,050	146	938	278,093
Additions	-	1,419	2,795	1,361	6	1,125	6,706
Transfers	-	-	938	-	-	(938)	-
Donated new build	-	-	-	-	-	-	-
Disposals	-	-	(807)	(13)	-	-	(820)
At 31 August 2023	9,235	239,029	25,040	9,398	152	1,125	283,979
Depreciation							
At 1 September 2022	3,594	54,581	13,365	4,374	88	-	76,002
Charged in the year	208	5,973	1,487	1,994	19	-	9,681
Disposals	-	-	(795)	(21)	-	-	(816)

At 31 August 2023	3,802	60,554	14,057	6,347	107		84,867
Net book values							
At 1 September 2022	5,641	183,029	8,749	3,676	58	938	202,091
At 31 August 2023	5,433	178,475	10,983	3,051	45	1,125	199,112

15. Stock

	Total 31 August 2023 £'000	Total 31 August 2022 £'000
Clothing	23	14
Other	35	21
	58	35

16. Debtors

	Total 31 August 2023 £'000	Total 31 August 2022 £'000
Trade debtors	53	30
Prepayments and accrued income	5,113	4,264
VAT recoverable	1,044	1,125
Other debtors	129	617
	6,339	6,036

17. Creditors: amounts falling due within one year

	Total 31 August 2023 £'000	Total 31 August 2022 £'000
Trade creditors	3,287	2,857
Other taxation and social security	1,833	1,773
Loans (note 18)	51	51
Grant clawback provision	795	1,034
Other creditors	2,095	2,042
Accruals and deferred income	9,704	10,369
	17,765	18,126

	£'000
Deferred income at 1 September 2022	5,117
Resources deferred in year	5,784
Amounts released from previous years	(5,117)
	<hr/>
Deferred income at 31 August 2023	5,784

At the balance sheet date, the academy trust was holding funds received in advance for 2023/24 academic year for devolved formula capital grant (£226k) and SCA funding (£4,699k).

18. Creditors: amounts falling due in greater than one year

	2023	2022
	£'000	£'000
Loans	98	149
	<hr/>	<hr/>
	98	149

The trust has two SALIX funding agreements for loans totalling £277,168. These loans are interest free and repayable over 6 years in 12 equal instalments, with all repayments due to be made by 1 October 2026. The total amount outstanding on the SALIX loans as at 31 August 2023 was £149,301.

19. Funds

	Balance at 1 September 2022	Income	Expenditure	Gains, Losses and Transfers	Balance at 31 August 2023
	£'000	£'000	£'000	£'000	£'000
Restricted General Funds					
General annual grant (GAG)	13,799	118,934	(116,682)	-	16,051
UIFSM	-	512	(512)	-	-
Pupil premium	-	9,232	(9,232)	-	-
Catch-up premium	-	-	-	-	-
Other DfE/ESFA COVID-19 funding	-	-	-	-	-
Other COVID-19 funding	-	-	-	-	-
Other grants	-	8,106	(8,106)	-	-
Pension Reserve	(19,394)	-	(1,608)	16,470	(4,532)
	<hr/> (5,595)	136,784	(136,140)	16,470	11,519
	<hr/>				
Restricted fixed asset funds					
DfE/ESFA capital grants and capital donations					
	<hr/>				

Capital expenditure from GAG	202,326	4,001	(9,690)	2,906	199,543
	-	-	-	-	-
	202,326	4,001	(9,690)	2,906	199,543
Total restricted funds	196,731	140,785	(145,830)	19,376	211,062
Total Unrestricted funds	1,492	3,345	(987)	(2,906)	944
Total funds	198,223	144,130	(146,817)	16,470	212,006

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

	Balance at 1 September 2021	Transfer in during the year	Income	Expenditure	Gains, Losses and Transfers	Balance at 31 August 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted General Funds						
General annual grant (GAG)	9,688	-	111,720	(107,609)	-	13,799
Start-up grant	-	-	-	-	-	-
UIFSM	-	-	464	(464)	-	-
Pupil Premium	265	-	8,873	(9,138)	-	-
Other DfE/ESFA Covid-19 funding	676	-	1,177	(1,853)	-	-
Other Covid-19 funding	-	-	63	(63)	-	-
Other Grants	-	-	5,791	(5,791)	-	-
Pension Reserve	(92,468)	-	-	(9,172)	82,246	(19,394)
	(81,839)	-	128,088	(134,090)	82,246	(5,595)
Restricted fixed asset funds						
DfE/ESFA capital grants as restated 1 September 2021	193,565	-	17,302	(11,684)	3,143	202,326
Capital expenditure from GAG	-	-	-	-	-	-
	193,565	-	17,302	(11,684)	3,143	202,326
Total restricted funds as restated 1 September 2021	111,726	-	145,390	(145,774)	85,389	196,731
Total Unrestricted funds	3,027	-	2,390	(782)	(3,143)	1,492
Total funds	114,753	-	147,780	(146,556)	82,246	198,223

Total funds analysis by academy

Funds balances at 31 August 2023 were allocated as follows:

	2023	2022
	£'000	£'000
E-ACT Trust	16,995	15,291
Total before fixed asset fund and pension reserve	16,995	15,291
Restricted fixed asset fund	199,543	202,326
Pension reserve	(4,532)	(19,394)
	195,011	182,932
Total	212,006	198,223

Operating Funds for the trust are in surplus of £16,995k. These are presented as a consolidated trust balance due to E-ACT adopting the new funding agreement in 2016 and being able to ‘pool’ GAG income. The trust continues to work on extended financial plans to ensure financial stability for Academies and students.

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

All funds will be applied to education and the support of education for E-ACT students in line with E-ACT’s charitable objectives. Due to E-ACT using the latest DfE funding agreement, funds are retained centrally.

£310k is being held within Restricted Fixed Asset Funds for artificial football pitch maintenance obligations. As such, the Restricted Fixed Asset Fund as at 31 August 2023 differs to the net asset value of Fixed Assets by this amount.

Total cost analysis by academy

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational supplies £'000	Other Cost (excluding depreciation) £'000	Total 2023 £'000	Total 2022 £'000
Blackley Academy	2,026	225	368	251	2,870	2,700
Oldham Academy	5,277	506	1,085	534	7,402	6,651
Parkwood Academy	3,979	291	650	357	5,277	4,910
Pathways Academy	1,528	232	305	145	2,210	1,991
Royton & Crompton	5,455	615	1,084	543	7,697	7,417
Regional	167	1,819	6	135	2,127	2,533
North Region Total	18,432	3,688	3,498	1,965	27,583	26,202
Bourne End Academy	4,407	470	1,101	392	6,370	5,295
Braintcroft Academy	2,525	279	350	290	3,444	3,355
Chalfont Valley Academy	805	162	198	199	1,364	1,035
City Heights Academy	3,009	329	792	661	4,791	4,869

The Crest Academy	5,789	820	1,153	775	8,537	7,033
Denham Green Academy	927	164	122	168	1,381	1,264
DSLVA Academy	4,607	242	610	556	6,015	5,682
Parker Academy	5,240	176	822	728	6,966	6,331
Regional	226	2,633	389	254	3,502	3,520
South & Bucks Region Total	27,535	5,275	5,537	4,023	42,370	38,384
Badocks Wood Academy	1,100	197	319	213	1,829	1,678
Greenfield Academy	1,639	147	332	268	2,386	2,159
Hareclive Academy	1,511	240	311	273	2,335	2,226
Perry Court Academy	1,685	147	259	249	2,340	3,067
Ilminster Avenue Academy	1,610	241	312	222	2,385	2,037
St Ursulas Academy	2,037	254	421	232	2,944	2,550
Regional	114	1,035	27	118	1,294	1,429
South West Region Total	9,696	2,261	1,981	1,575	15,513	15,146
Heartlands Academy	4,144	207	866	624	5,841	5,269
Mansfield Green Academy	1,922	143	356	195	2,616	2,403
Merritts Brook Academy	982	66	222	64	1,334	1,918
Nechells Academy	902	110	182	151	1,345	1,300
North Birmingham Academy	4,979	397	1,172	633	7,181	6,575
Reedwood Academy	1,985	147	385	182	2,699	2,598
Shenley Academy	4,032	368	787	491	5,678	5,609
West Walsall Academy	4,690	241	1,022	511	6,464	5,724
Willenhall Academy	4,371	210	709	429	5,719	5,367
Regional	282	3,228	296	1,530	5,336	5,491
Midlands Region Total	28,289	5,117	5,997	4,810	44,213	42,254
Head Office	176	3,673	585	1,411	5,845	5,416
Total	84,128	20,014	17,598	13,784	135,524	127,402

In addition to depreciation and amortisation, costs stated above exclude non-cash adjustments on defined benefit pension schemes comprising interest costs of £1,608,000 (2022: £1,574,000)

20. Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
				2023
Intangible fixed assets	-	-	122	122
Tangible fixed assets	-	-	199,112	199,112
Current assets	944	28,811	5,412	35,167
Current liabilities	-	(12,662)	(5,102)	(17,765)
Creditors due in more than one year	-	(98)	-	(98)
Pension scheme liability	-	(4,532)	-	(4,532)
Total net assets	944	11,575	199,489	212,006

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

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
				2022
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	202,091	202,091
Current assets	1,492	27,327	4,982	33,801
Current liabilities	-	(13,379)	(4,747)	(18,126)
Creditors due in more than one year	-	(149)	-	(149)
Pension scheme liability	-	(19,394)	-	(19,394)
Total net assets	1,492	(5,595)	202,326	198,223

21. Capital Commitments

	Total 31 August 2023 £'000	Total 31 August 2022 £'000
Contracted for, but not provided for in the financial statements.	894	605

22. Commitments under operating leases

As at 31 August 2023, the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	Total 31 August 2023 £'000	Total 31 August 2022 £'000
Amounts due within one year	368	345
Amounts due between one and five years	287	377
Amounts due after five years	9	6
	<u>664</u>	<u>728</u>

23. Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	Total 31 August 2023 £'000	Total 31 August 2022 £'000
Net income for the reporting period (as per the statement of financial activities)	(2,687)	1,224
Adjusted for:		
Less fixed assets transferred / donated in	(9)	(12,600)
Amortisation (note 13)	4	2
Depreciation (note 14)	9,681	9,981
Capital grants from DfE and other capital	(3,993)	(4,702)
Interest receivable (note 6)	(909)	(169)
Loss on disposals	5	1,701
Defined benefit pension scheme costs less contributions payable (note 31)	794	7,597
Defined benefit pension scheme net finance cost (note 31)	814	1,574
(Increase) in stocks	(23)	(1)
(Increase) in debtors	(303)	(1,156)
(increase) in creditors	(361)	2,796
Net cash provided by operating activities	<u>3,013</u>	<u>6,250</u>

24. Cash flows from financing activities

	Balance 31 August 2023 £'000	Balance 31 August 2022 £'000
Repayment of borrowing	(51)	(51)
Net cash provided by financing activities	(51)	(51)

25. Cash flows from investing activities

	Balance 31 August 2023 £'000	Balance 31 August 2022 £'000
Dividends, interest and rents from investments	909	169
Purchase of intangible fixed assets	(126)	-
Purchase of tangible fixed assets	(6,698)	(7,765)
Capital grants from DfE/ESFA	3,993	4,702
Net cash used in investing activities	(1,922)	(2,894)

26. Analysis of cash and cash equivalents

	At 1 September 2022 £'000	Cash flows £'000	At 31 August 2023 £'000
Cash in hand and at bank	27,730	1,040	28,770
	27,730	1,040	28,770

27. Guarantees, letters of comfort and indemnities

There were no guarantees, letters of comfort or indemnities as at 31 August 2023.

28. Analysis of changes in net debt

	At 1 September 2022	Cash flows	At 31 August 2023
	£'000	£'000	£'000
Cash	27,730	1,040	28,770
Cash equivalents	-	-	-
Overdraft facility repayable on demand	-	-	-
	27,730	1,040	28,770
Loans falling due within one year			
Loans falling due after more than one year	(51)	-	(51)
	(149)	51	(98)
	27,530	1,091	28,621

29. Contingent liabilities

There are no contingent liabilities held on the balance sheet date.

30. Members Liability

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

31. Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the scheme managers listed below. Both are multi-employer defined benefit schemes.

Prior to 31 August 2023, the latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022. A further valuation of the TPS scheme, relating to the period ended 31 March 2020 was published in October 2023.

Scheme managers

Avon Pension Fund

- Badocks Wood Academy
- Greenfield Primary Academy
- Hareclive Academy

- Ilminster Avenue Academy
- Perry Court Academy
- St Ursula's Academy

Buckinghamshire County Council Pension Fund

- Bourne End Academy
- Chalfont Valley Academy
- Denham Green Academy

Greater Manchester Pension Fund

- Blackley Academy
- Oldham Academy
- Royton & Crompton Academy

Lambeth Pension Scheme

- City Heights Academy

London Borough of Brent Pension Fund

- Braintcroft Academy
- Crest Academy

Northamptonshire Pension Fund

- Danetre and Southbrook Learning Village Academy
- Parker Academy

South Yorkshire Pension Fund

- Parkwood Academy
- Pathways Academy

West Midlands Pension Fund

- Heartlands Academy
- Mansfield Green Academy
- Merritts Brook Primary Academy
- Nechells Primary Academy
- North Birmingham Academy
- Reedswood Primary Academy
- Shenley Academy
- West Walsall Academy
- Willenhall Academy

Contributions amounting to £579,311 (2022: £581,706) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS which applied during the year ended 31 August 2023, was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The latest actuarial valuation results, as at 31 March 2020, were released in October 2023. The valuation result is due to be implemented from 1 April 2024, from this date employer contribution rates will increase to 28.68% (including a 0.08% employer levy).

The employer's pension costs paid to TPS in the period amounted to £10,046,667 (2022 £9,560,992).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2023 were £6,922,103 (2022: £6,983,282, of which employer's contributions totalled £5,972,955 (2022: £5,542,399) and employees' contributions totalled £1,593,132 (2022: £1,440,883)). The agreed contribution rates for future years range from 14.8% to 35% per cent for employers and range from 5.5% to 12.5% per cent for employees.

Included within the above amount for employer's contributions for the year ended 31 August 2023 is an amount of £643,984 (2022: £990,514) in respect of deficit contributions made by the trust in addition to normal funding levels.

The remaining pension scheme providers for the trust have elected to collect additional contributions towards scheme deficits through the monthly contribution rates reported above.

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

Principal Actuarial Assumptions

	31 August 2023 Range (Top)	31 August 2023 Range (Bottom)	31 August 2022 Range (Top)	31 August 2022 Range (Bottom)
Rate of increase salary	4.3%	3.3%	4.3%	3.5%
Rate of increase for pension in payment/inflation	3.0%	2.9%	3.2%	2.9%
Discount rate for scheme liabilities	5.3%	5.2%	4.7%	4.3%
Inflation assumption (CPI)	3.0%	2.8%	3.2%	2.8%
Commutation of pensions to lump sums	50.0%	50.0%	50.0%	50.0%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	31 August 2023 Range (Top)	31 August 2023 Range (Bottom)	31 August 2022 Range (Top)	31 August 2022 Range (Bottom)
Retiring Today				
Males	23.2	19.2	23.1	20.3
Females	25.7	21.4	25.4	23.2
Retiring in 20 years				
Males	24.6	20.3	24.6	21.6
Females	27.3	24.1	27.3	25.1

Sensitivity analysis

	2023 £'000	2022 £'000
Discount rate +0.1%	1,708	1,980
Discount rate -0.1%	(1,706)	(1,977)
Mortality assumption – 1 year increase	3,480	3,574
Mortality assumption – 1 year decrease	(3,471)	(3,574)
CPI rate +1%	2,052	2,053
CPI rate -1%	(2,044)	(2,050)

The academy trusts share of the assets in the scheme was:

	2023 £'000	2022 £'000
Equities	61,739	59,418
Bonds	19,428	16,664
Property	7,611	7,828
Cash	3,416	3,160
Other	4,150	3,903
Total Market Value of Assets	96,344	90,973
Present value of scheme liabilities		
Funded	(94,796)	(110,423)
Surplus (deficit) in the scheme as determined by the actuary	1,548	(19,450)
Adjustment recognised in actuarial losses to cap scheme surpluses*	(6,080)	-
Deficit in the scheme as recognised on the balance sheet	(4,532)	(19,450)

*As the LGPS surplus is irrecoverable, for schemes in a surplus position at the year end, recognition on the balance sheet has been restricted to £nil. The adjustment of £6,080,000 (2022: £nil) has been offset against the overall actuarial gain for the year.

Amounts recognised in the statement of financial activities

	2023 £'000	2022 £'000
Current Service cost	(576)	(7,413)
Past service cost	(75)	(59)
Interest income	3,994	1,506
Interest cost	(4,808)	(3,080)
Benefit changes, gain/(loss) on curtailment and gain / (loss) on settlement	-	-
Admin expenses	(143)	(125)
Net income/expenditure amount recognised in the SOFA	(1,608)	(9,171)
Net actuarial loss	16,470	82,246
Total amount recognised in the SOFA	14,862	73,075

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

	2023 £'000	2022 £'000
At 1 September	110,423	180,338
Current service cost	6,769	13,099
Past service cost	75	59
Interest cost	4,808	3,080
Employee contributions	1,632	1,457
Actuarial loss	(27,153)	(86,391)
Benefits paid	(1,758)	(1,219)
Losses or gains on curtailments	-	-
Liabilities extinguished on settlements	-	-
At 31 August	94,796	110,423

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

	2023 £'000	2022 £'000
At 1 September	91,029	87,870
Interest income	3,994	1,506
Administrative Expenses	(27)	(24)
Return on plan assets (excluding net interest on the defined pension liability)	(4,605)	(4,145)
Actuarial loss	2	-
Employer contributions	6,077	5,584
Employee contributions	1,632	1,457
Benefits paid	(1,758)	(1,219)
Plan introduction, benefit changes, curtailments and settlements	-	-
At 31 August	96,344	91,029

32. Related Party Transactions

Owing to the nature of the academy trust's 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 ATH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. No related party transactions took place in the financial period.

33. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the academy trust received £181,632 and distributed £102,822 from the fund. An amount of £78,810 is included in other creditors relating to undistributed funds that will be utilised in the 2023/24 academic year. Comparatives for the accounting period ending 31 August 2022 are £153,605 received, £97,089 disbursed and £56,517 included in other creditors.

34. Transfer of existing academies into the trust

No academies transferred into or out of the trust during the 2022/23 financial year.

35. Events after the end of the reporting period

Following the 2022/23 balance sheet date, the trust had a no material post balance sheet events.