



London South East Academies Trust  
(A Company Limited by Guarantee)  
Annual Report and Financial Statements  
for the Year Ended 31 August 2021

Company Registration Number: 9028122

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## Reference and Administrative Details

### List of Members & Directors/Trustees, London South East Academies Trust

Members		
Name	Appointed	Resigned
Stephen Howlett, CBE DL	01/08/2017	
Mark Burnett	01/08/2019	
Angela Hands	01/08/2019	
Caroline Jolliff	01/08/2019	01/10/2020
Marek Michalski	01/10/2020	
LSEC	07/05/2014	

London South East Academies Trust Board				
Name	Appointed	Tenure	Role	Resigned
Mark Burnett (Chair)	01/08/2018	4 years	Chair	
Max Bero (Vice Chair)	01/02/2018	4 years	Vice Chair	
Dr Sam Parrett, CBE	n/a	n/a	Trustee	
Corinne Botten	06/12/2016	4 years	Trustee	18/06/2021
Dr Tom Pey	16/07/2019	4 years	Trustee	14/07/2021
John Slater	01/02/2019	4 years	Trustee	01/03/2021
Janet Saunders	01/04/2019	4 years	Co-opted Trustee	
Christopher Philpott	11/12/2019	4 years	Trustee	
Denise James-Mason	16/07/2019	4 years	Co-opted Trustee	
David Bailey	09/12/2020	4 years	Trustee	
Dr Sebastien Chapleau	21/01/2021	4 years	Trustee	
Emma Brand	21/01/2021	4 years	Trustee	
Charles Yates	01/01/2021	4 years	Trustee	
Prof Lynn Revell	12/05/2021	4 years	Trustee	
Louise Wolsey	21/10/2020	1 year	Co-opted Trustee	

Company Secretary	
Name	Appointed
Jennifer Pharo	04/04/2019

Key Management Personnel	
Name	Position
Dr Sam Parrett, CBE	Chief Executive Officer
John Hunt	Chief Financial Officer & Deputy CEO Trust
Neil Miller	Deputy CEO - Academies
Madelaine Caplin	Executive Head Teacher

**Reference and Administrative Details** (continued)

Company Name: London South East Academies Trust

Principal and Registered Office Rookery Lane  
Bromley,  
BR2 8HE

Company Registration Number 9028122

Independent Auditor Buzzacott  
130 Wood Street  
London,  
EC2V 6DL

Bankers Barclays Bank  
Level 27, 1 Churchill Place  
London  
E14 5HP

Solicitors Eversheds Sutherland LLP  
One Wood Street  
London,  
EC2V 7WS

Winkworth Sherwood  
Minerva House  
59 London Road  
5 Montague Close  
London,  
SE1 9BB

## **Trustees' Report**

The Board of Trustees present their annual report together with the Financial Statements of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' and a directors' report under company law.

The academy trust operates 8 academies including Special Schools, Alternative Provision, and Primary Schools, across South East London and Surrey. Its academies have a combined pupil capacity of 1,257 and had a roll of 1,054 in the school census in May 2021.

The Financial Statements have been prepared in accordance with the accounting policies on pages 42 to 46 of the attached Financial Statements and comply with the Trust's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102) (Charities' SORP 2019).

### **Structure, Governance and Management**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of London South East Academies Trust are also the directors of the charitable company for the purposes of company law.

The Trust works closely with its sponsor, London South East Colleges (LSEC), and in April 2018 the independent boards of each entity agreed to work together to further their strategic aims as London & South East Education Group (LSEEG). Although not a legal entity, LSEEG had a collective turnover of £75m in 2020/21.

LSEEG is the umbrella organisation to co-ordinate the strategy of the group and to optimise and strengthen both governance and collaboration between group entities. This is achieved through schemes of delegation (subject to their non-delegable primary governance responsibilities and authority; their regulatory obligations; and management of potential conflicts of interest). The Group is not a legal entity and organisations as members of the Group are not subsidiary companies which are controlled or owned by LSEEG.

The Group rationale is borne from a shared mission, vision and values and seeks to optimise governance alignment through a Group Strategy and provide efficiencies across the organisations for the benefit of Learners and by extension for the public benefit. The Group ethos is founded upon high quality teaching and learning, the development of curriculum models fitting each school and cohort and a core and bespoke school improvement strategy which focuses on our shared strength.

Governors and Trustees have been appointed to the Group Board, Independent Legal Boards and the Joint Group Co-ordinating Committees, ensuring that a balanced combination of Governors and Trustees are represented on the each of these, as defined by the relevant Articles of Association and the Group Organisation Scheme of Delegation. Details of the group governance arrangements in place for the year are shown below:

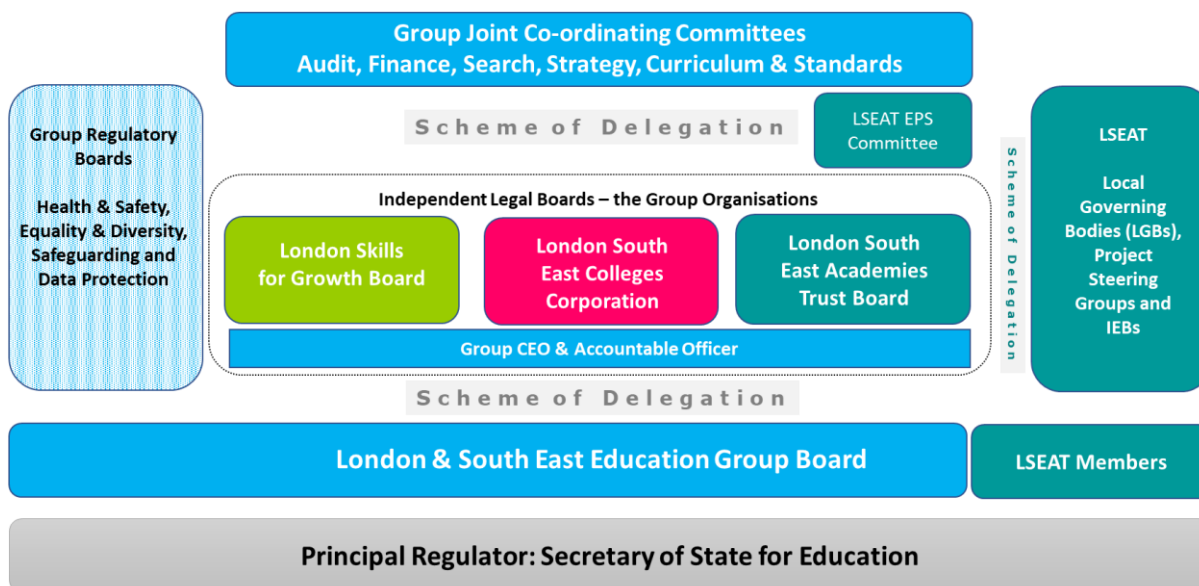
**Trustees Report** (continued)

**Structure, Governance and Management** (continued)

**Constitution** (continued)

**A Social Enterprise Organisation**

**Governance Structure 2020**



Details of the Trustees who served on the Trust Board during the year are included in the Reference and Administrative Details on page 1. Business is conducted through full Board meetings, a Group Finance Committee and a Group Audit and Risk Committee. The membership of these Committees must include representation from LSEAT but may also include Group Governors or those from other legal entities within the group where this will improve governance through the provision of greater expertise and challenge. Minutes of meetings are maintained and a register of interests published on the Trust's website.

As part of the Trust's growth strategy, the Trust resolved on 24<sup>th</sup> March 2021 to adopt a provision-based governance model as opposed to a location-based hub model, which will enable the Trust to have a more specialised focus of the Trust's three provision types, Special, Alternative Provision & Outreach and Primary.

In addition to the Provision Boards, the Trust is creating local governance committees for each school, which will be known as Academy Councils. The design and development of this model is to ensure that the community and its parents are at the heart of the Trust. The Academy Councils will be the forum where the Trust can ensure community links remain in place, whilst also engaging with local stakeholders. Each school will also have representation on the appropriate Provision Board, as one representative for each school's Academy Council will be a member of the Provision Board.

The Trust Articles of Association permit the establishment of committees and the level of delegation and functions determined. Where the Trust Board does delegate, it remains responsible and accountable for decisions made. The Trust Board retains overall responsibility and a legal duty for the operation of the Academies and the delivery of education, with the level of delegation and autonomy, determined through a detailed Scheme of Delegation.

## **Trustees Report** (continued)

### **Structure, Governance and Management** (continued)

#### **Constitution** (continued)

The role of the Provision Board is intrinsic to providing local governance and scrutiny, enabling and assisting the Board of Trustees in the fulfillment of their duties. The Provision Boards, chaired by a Trustee, will play an active part in supporting and challenging the Leadership of the Academies on the quality and standard of education, monitoring risks and progress of pupils.

As an additional level of governance scrutiny each individual Academy will convene an Academy Council. Membership of Academy Councils will comprise Local Community Governors, Parent and Staff Local Community Governors. The Academy Councils will report up to the appropriate Provision Board based on the Academy provision type, which will comprise a representative from each Academy Council.

The Trust Board will approve the appointment of Provision Board Chairs and Local Community Governors. The Provision Boards provide focused governance for each Academy, covering up to five Academies within their remit and provide assurance that the Trust Board is connected to its local community and that a local and diverse range of perspectives support decision making.

Focused governance includes monitoring and challenging Academy Leaders on educational standards and academic performance, safeguarding, individual Academies' character and ethos and reviewing the Academies' Risk Register.

The Provision Boards will contribute most effectively to the Trust's vision and values by focusing on the following areas:

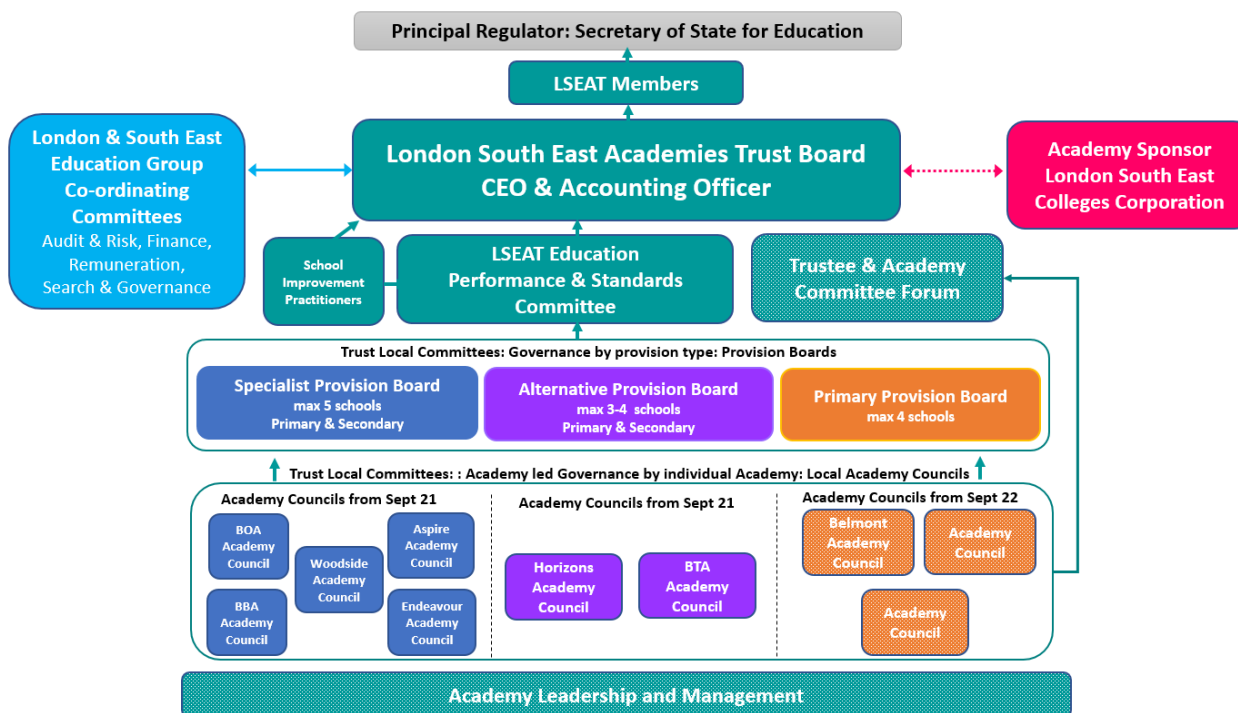
1. To provide a strategic view of the ethos and culture of each Academy.
2. To act as a critical friend to Academy Leaders, by providing support and advice to the Academies on School Improvement through the monitoring of School Development Plans, the curriculum offer, pupil progress and attainment and overall pupil experience.
3. To hold the Academy to account for the educational standards it achieves and the quality of the education it provides as defined by Ofsted.
4. To ensure there are robust safeguarding procedures and associated policies in place to ensure the safety of all pupils.
5. To represent the parents and the local community, staying accessible and connected to the communities they serve.
6. To support, demonstrate and actively promote the Trust's vision and values.

The new model of operations and governance will be effective from 1 September 2021, and further details of the new governance arrangements are shown below:-

**Trustees Report (continued)**

**Structure, Governance and Management (continued)**

**Constitution (continued)**



**Members' Liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while he/she is 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 cease to be a member.

**Trustees' Indemnities**

As disclosed in note 10 professional indemnity insurance is paid on behalf of the directors and officers of the Academy as part of DoE Risk Protection Arrangement.

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

Potential new Trustees are identified either by the Board or the Group Board and can be recruited through recommendation, self-referral, response to an advertisement, or referral from a recruiting partner. The Trust always seeks to ensure that the skills and experience of new Trustees are complementary to those of existing Board members, or respond to identified skills gaps. London South East Academies Trust's members appoint Trustees.

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

The training and induction provided for new Trustees will depend upon their existing experience. Where necessary the induction process will provide training on charity, educational, legal and financial matters. All new Trustees are welcome to visit the Academy Trust and to meet with staff and students. All Trustees are provided with copies of procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Induction tends to be done informally and is tailored specifically to the individual Trustees.

**Organisational Structure**

The Key Management Personnel control the Trust at an operational level implementing the policies laid down by the Trustees and reporting back to them. As a group, these personnel are responsible for the authorisation of spending within delegated limits and agreed budgets.



## **Trustees Report (continued)**

### **Structure, Governance and Management (continued)**

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

The Board of Trustees consider the pay of the key management personnel on an annual basis in line with the Department of Education guidance on “Setting Executive Salaries” published in July 2019. In accordance with its Executive Pay Policy, the Trust is committed to pay and remuneration that is transparent, proportionate and justifiable. When setting rates of pay, the Board take a number of factors into account in order to ensure pay is commensurate with the accountabilities and duties of employment. Other factors which are considered include the financial and academic performance of both the Trust and each member Academy, the performance of the staff involved, and sector recommendations of annual pay awards. The Board also consider external benchmarks and salaries offered by other Academies for similar staff where this information is available.

#### **Trade union facility time**

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Academy Trust to publish information on facility time arrangements for trade union officials at the Academy Trust. The Academy Trust confirms that there were no employees acting as trade union officials within the meaning of these regulations during the year ended 31 August 2021.

#### **Related Parties and other Connected Charities and Organisations**

The Trust has a connection with Bromley College of Further & Higher Education (trading as London South East Colleges) as sponsor of the Academies within the Trust. As explained above, the Trust and its sponsor work closely together in furtherance of their strategic aims. The sponsor also provides some back-office services to the Trust through its centralised group services, but no charge is levied in respect of these services.

#### **Engagement with employees (including disabled persons)**

Communication across the Group is through all staff meetings, regular weekly staff bulletins, and communication via the Deputy CEO – Academies and Head Teachers. This is a two-way process with the Trust news publication being circulated with updates from the Deputy CEO, Headteachers, and the leads of core operational services such as H&S, Safeguarding and HR, covering different initiatives and updates on their respective schools and wider Trust. Trust Senior Leadership meetings are held termly and senior leaders have the opportunity to share good practices and receive updates from key LSEC personnel.

The Trust recognises a range of trade unions and these are engaged as and when there are issues of negotiation and consultation with staff on a variety of staffing issues. Formal Joint Consultative Group meetings will be held with Regional Trade Union Representative in the future to encourage their engagement with the development of Trust policies.

Staff within LSEAT have been encouraged to partake in a Group wide discussion on ‘Engagement and Involvement in Equality, Diversity and Inclusion Matters’ and to apply for a grant to fund a project, initiative or idea, or to become an Equality/Diversity and Inclusive champion. In addition, all staff in the Trust have been given the opportunity to take part in roadshows and consultations on our new One Trust strategy and corporate values.

The Trust considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned and, where disabled candidates disclose their disability to the Trust and meet the minimum selection criteria, an interview will be offered. Where an existing employee becomes disabled every effort is made to ensure that their employment with the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

## **Trustees Report (continued)**

### **Structure, Governance and Management (continued)**

#### **Engagement with suppliers/customers/ others in a business relationship with the trust**

The Trust acknowledges that its supply chain is an essential element to the successful and safe operation of its academies, together with the overall success of the company. The supply chain can impact significantly on the education of our pupils as customers and the importance of these relationships and those within the wider LSEEG group are recognised. The Trust values its supply chain and uses a mix of local SME's for small one off or regular transactions, through to larger entities with tendered compliant contracts such as cleaning and catering. The Trust always ensures it achieves value for money.

#### **Objectives and Activities**

##### **Objects and Aims**

In July 2021, the Trust approved its new mission together with related strategic goals and priorities. The Trust mission is that through being passionate about their potential, we promise to realise the unique talents and abilities of the children and young people entrusted to London South East Academies Trust. Ambitious for every child, we will work tirelessly to ensure that progression and their 'next step' is always in reach. We recognise and respect the diversity and strength that our different schools bring to our community, within the school and beyond.

Our mission is to create a network of outstanding schools that:

- promote excellence
- celebrate diversity
- enable personal development and achievement
- foster social value in the communities they serve

In furtherance of this mission, the Trust vision is to create a future where every child, in every school, flourishes, every day. Our vision is wide-ranging. It encompasses aspiration, educational excellence, system leadership, and an ambition to create social value for the communities we serve.

Through this mission and vision, the Trust aims to:

- Give all children access to an inspirational school offer focused on maximising their own unique talents and abilities.
- Ensure the educational achievement of every child and young person entrusted to us.
- Have a relentless focus on accelerating learning, ensuring that irrespective of their starting point every child achieves and progresses.
- Reward ambition and high aspirations through all of our schools.
- Maximise the strength of our diversity and use this to enhance the learning experience of every child and young person.
- In areas of social and economic deprivation we will improve the life chances of children and young people.
- We will actively challenge social inequality and as a civic Trust work in partnership to create social value and have a positive impact on the lives and communities we operate in.
- Create a diverse network of high performing schools that unlock children's potential.
- Proactively support and train our education system leadership to improve school standards in our region.
- In doing so we will: create a future where every child in every school, thrives, every day.

## Trustees Report (continued)

### Objectives and Activities (continued)

#### Objectives, Strategies and Activities

The main objectives of the Trust during the year ended 31 August 2021 are summarised below:

- To raise the standard of educational achievement of all pupils;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory requirements;
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness; and
- To set in motion initiatives to increase the number of Academies within the Trust.

The principal long-term objectives of the Trust are laid out in the Funding Agreement in addition to the points summarised above.

The Trust has adopted a scheme of delegation, which sets out the respective functions of the Trust, and its associated local advisory Boards. The Trust currently consists of eight Academies covering primary, specialist primary and secondary phases across sites in Bromley, Bexley and Surrey. The Academies have provision for mainstream primary pupils, together with pupils who have been excluded from mainstream education or pupils who are at risk of being excluded from such education. In addition, the Trust also provides Key Stage Two to Five provision for Social, Emotional and Mental Health (SEMH) students who all have an Education, Health and Care Plan (EHCP).

The Academies within the Trust are as follows.

Aspire Academy Bexley	Bromley Trust Academy
Bromley Beacon Academy	Horizons Academy Bexley
Endeavour Academy Bexley	Woodside Academy
Belmont Academy	Bramley Oak Academy

Bromley Trust Academy served a pupil population of 99 during 2020/21, with a Planned Annual Number (PAN) of 153. Bromley Beacon Academy served a pupil population of 152 during 2020/21, with a Planned Annual Number (PAN) of 148

Horizons Academy Bexley served a pupil population of 66 during the year with a PAN of 117. Aspire Academy Bexley and Endeavour Academy Bexley served pupil populations of 49 and 77, with a PAN of 64 and 80 respectively.

Belmont Academy served a pupil population of 436 during the year with a PAN of 446. Woodside Academy served a pupil population of 175 during the year with a PAN of 200.

Bramley Oak Academy joined the Trust on 1 October 2020 and served a pupil population of 61 during the year with a PAN of 55.

#### Public Benefit

In setting objectives and planning activities, the Board of Directors have paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act 2011.

## **Trustees Report (continued)**

### **Objectives, Strategies and Activities (continued)**

#### **Covid-19**

Following the imposition of a national lockdown in response to the Coronavirus threat our Special and Alternative Provision Schools remained open to all pupils throughout, other than short term closures of specific areas in response to positive cases of Coronavirus. Although our Primary School was closed to some pupils, it operated at approximately half capacity during the lockdowns for vulnerable children and those of key workers. Where Schools were closed to some pupils, our contingency plans were implemented and we switched to remote lessons for pupils wherever possible, with some staff working from home. This included both taking part in and supporting the National Oak Academy initiative.

Where required our pupil support and back-office systems, processes, and controls were adapted to ensure the continued safeguarding of pupils, and the safety of both pupils and staff. Moreover, with an electronic purchase to pay system in place, the majority of our financial controls were unaffected by the remote working and the probity over the use of public funds remained throughout. For the re-opening of our Schools, it was necessary to make a number of changes to our operating models and sites such as the introduction of bubbles of pupils. Throughout the pandemic, we have and continue to comply with published guidance and standards of Health & Safety.

Our governance moved to a digital model during 2019/20 and this remained throughout 2020/21 with all Board and Committee meetings taking place as planned, with level of attendance, papers and scrutiny which would have been expected if these meetings had been able to take place in person. During the year, the Trust replaced its existing digital platform for Board and Committee papers with a new system and this has been a great success. As part of our continuing Health & Safety controls and risk mitigations, these meetings continue to take place remotely, and throughout the pandemic our governance, risk management, and decision making has remained highly effective, and some virtual meetings may remain as we return to more normal ways of life as we exit the pandemic.

Staff mental health and well-being during this pandemic remained of paramount importance. Support for staff health and mental well-being was implemented in a number of ways including through a coronavirus resource hub which provides staff and line managers, with a range of resources on managing mental health and well-being. Other resources included; guidance on remote working; coping strategies for self-isolation and remote working, frequently asked questions on a range of issues, managing mental health, well-being and stress, managing remote working and isolation, managing financial well-being etc.

In addition, staff also have remote access to the Group's multi faith chaplain for counselling support, together with our employee assistance helpline which is available 24/7 to provide counselling for staff and family members.

#### **Equal Opportunities**

The Trustees recognise that equal opportunities are an integral part of good practice within the workplace. The Trust monitors the diversity of its staff, and reviews its recruitment arrangements to support equality and diversity objectives.

## Strategic Report

### Achievements and Performance

#### Key Performance

##### **Bromley Trust Academy (BTA)**

The academy has maintained quality teaching and learning throughout the year, setting high standards for pupils in relation to behaviour and progress which has resulted in some excellent outcomes for learners. In spite of the unprecedented circumstances nationally from the start of September, including further periods of lockdown, the school has ensured that all pupils have had access to an appropriately amended curriculum, high quality remote learning and safeguarding procedures have been adapted to keep pupils safe in the absence, for some, of daily face to face contact.

Year 11 outcomes in 2020/21 remained positive, despite the circumstances. It has been recognized that this cohort had lower prior attainment data than the previous year group but the progress made has been good and resulted in the following headline successes:

- The average number of qualifications per pupil rose from 8.45 in 2020 to 9 in 2021. Considering the academic ability of the previous cohort was so high, this is an outstanding achievement.
- Comparing the percentage of pupils achieving 5 or more GCSE or equivalent Grades 4-9 to the national average for pupils attending pupil referral units (less than 2%), pupils at BTA outperformed these figures significantly with 65% of pupils gaining this level of qualification. This is more than double those achieving this in 2018/19 where the percentage was 19%.
- As in 2020, 100% of pupils gained a Level 1 in Literacy and Numeracy.
- Achievement in English showed pupils making excellent progress with 57% leaving with Level 2 or Grade 4-9 compared to 26% in 2018/19.
- Although the number of pupils gaining a Level 2 qualification in Maths or GCSE Grade 4-9 was lower than in English, there was still a noticeable improvement on the previous year with 39% of pupils achieving this compared to 24% in 2020.
- It is important to note that level 2 passes achieved in English and Maths were 'actual' passes rather than teacher assessed grades.
- Progress for Year 11 pupils demonstrated higher numbers making expected or better progress in both English and Maths at 91% and 100% respectively.
- The disparity between the two sites of Hayes and Blenheim was significantly lower than last year and there is no disparity between PP and non-PP students.

The impact of the pandemic on pupil progress cannot be underestimated with most pupils showing some gaps in progress in English and Maths. Since the pupils accessing BTA are admitted to the school throughout the year, have disrupted educational histories and arrive with lower baselines than chronological age in many cases, it is not surprising that some gaps have arisen during this period.

The Catch-Up funding and Pupil Premium funding received by the school is targeted for additional intervention work specifically around reading and writing where the greatest gaps occur. This year both secondary sites made positive use of the government catch up funding by employing additional tutors via the National Tutoring Programme to support a cohort who had been impacted to an even greater level than the previous one by the pandemic. At the primary site, resources were used to purchase additional Kindles/Tablets to support assessments, reluctant writers and where required, blended learning. In addition, funding was used towards the implementation of a phonics tracker to identify gaps in learning and the use of adults for additional 1:1 or small group sessions.

## **Strategic Report (continued)**

### **Achievements and Performance (continued)**

#### **Key Performance (continued)**

#### **Bromley Trust Academy (BTA) (continued)**

The success of the Primary Outreach Service has continued to be recognised by the local authority who have now invested in the development of a Secondary Outreach Service co-ordinated by BTA. This is a welcome development as it means that there will be greater opportunity for our staff working in schools to impact positively on behavior at an earlier point, support the schools in accessing appropriate support and work in partnership to prevent increasing permanent exclusions. Despite the fact that the secondary service was launched during the pandemic it is already proving to be a successful and valued intervention service across the borough. Additional funding for the Outreach service has been used to recruit professionals from other schools, experienced Special Educational Needs Co-ordinators as well as a dedicated Educational Psychologist and Mentors to support pupils in school.

Not in Education, Employment or Training (NEET) pupils from BTA remain at a very low level compared with similar schools nationally. We await final percentage in October but this is highly likely only to represent one pupil at 3.45%.

The school self-evaluation has been validated by our Trust's commissioned school educational advisor and continues to be graded at least Good in all areas.

#### **Bromley Beacon Academy (BBA)**

BBA had continued to have a clear trajectory of self-improvement to ensure that the needs of all students have been met. This has been clearly shown through the Covid 19 pandemic where all staff stepped up to support the students both remotely and onsite both academically and emotionally during an ever changing landscape. Due to their work students were exceptionally well supported meaning that they were able to access high quality remote learning and continue to make significant progress.

2020/21 was an outstanding year for BBA in terms of pupils in Year 11 achieving excellent outcomes. The average number of qualifications gained per student increased from 7 last year to 9 this year, with a noticeable improvement in grades achieved. Key highlights include:

- 35% of pupils gained 5 or more GCSE or equivalent passes at Grades 4-9 with 94% of pupils gaining 5 or more at Level 1 or above.
- 94% of pupils left Year 11 with qualifications at Level 1 or above in both English and Maths with the only exceptions being one pupil who had not attended the school all year but remained on roll, making the percentage of pupils 100% based on attendance.
- 58% of pupils gained GCSE Grades 4-9 or equivalent in English and 35% in Maths, a pleasing improvement compared to the outcomes in 2019/20 when 47% of pupils achieved the same grades in English.
- All pupils in Year 11 who attended the school made progress against their baseline with 94% and 76% making progress in line with their Key Stage 2 results in English and Maths respectively.

The previous year demonstrated a gap in attainment between non-Pupil Premium and those in receipt of Pupil Premium / Ever 6 however this significantly diminished this year with a difference of 6%. This is a direct result of intervention strategies and a bespoke timetable introduced after numerous lockdowns targeting the most vulnerable students and ensuring they were fully supported throughout the academic year.

Whilst Covid-19 initially negatively impacted on pupil progress in KS2 and KS3, baseline assessments identified groups and individual gaps and from this a bespoke intervention curriculum was implemented to support academic and SEMH needs. Due to this, the overall expected and exceeding progress for reading, writing and maths in KS2 stood at 89% by the end of the academic year with 80% KS3 students making this progress in English and 83% in Maths.

## **Strategic Report** (continued)

### **Achievements and Performance** (continued)

#### **Key Performance** (continued)

#### **Bromley Beacon Academy (BBA)** (continued)

The school continues to be at capacity for most year groups, with demand for places remaining significantly high.

The school self-evaluation has been validated by the Trust commissioned school educational advisor and now has a grading of outstanding for overall effectiveness, quality of education and personal development with behaviour and attitudes, leadership and management and sixth form provision graded at 'Good'.

Catch-up money was used to support both academic and mental health wellbeing in the following ways:

- providing targeted support to students with 1 to 1 and small group work in literacy and numeracy,
- External mentoring programme for KS4 students
- Boxing for Schools therapy
- Social skills intervention and support
- SALT intervention
- Software applications purchased to support home learning

#### **Aspire Academy Bexley**

Pupils returned to school in September, happy to be back and quickly settled back into school routines and learning. Aspire modified their curriculum to support the return to school, by introducing a 'Bounce Back' curriculum written by educational psychologists to develop children's social skills and mental health needs after being absent from school for such a long period of time.

Unfortunately, despite the fact that the school had a full online offer of education and therapeutic interventions and a significant number of pupils attending school full-time, the pupils found the second lockdown of January 2021 much more disruptive and returned to school with high levels of anxiety and more mental health needs. This is evidenced by the fact that 3 pupils were placed in foster care during the spring term and a high number of referrals being made to Children and Adolescent Mental Health Services (CAMHS).

In response to this higher level of need, the Aspire Behaviour Team was created, with support from the Trust, during the summer term. The team consists of an Operational Behaviour Manager and two Behaviour Learning mentors. The behaviour team works directly with pupils who are experiencing difficulties within the classroom and who may need periods of time out of class or additional interventions to help them. A new behaviour management system, and "The Aspire Way" were also developed and implemented during this time.

Pupils' academic progress has been carefully monitored during the past academic year with any pupils not making expected progress identified and interventions put in place both within the classroom and those led by Higher Level Teaching Assistants (HLTAs). End of year progress results were as follows: 80% of pupils making better or expected progress in Maths, 75% in Reading and 65% in Writing. In response to this dip in progress the school has modified its curriculum offer this year and introduced Read, Write Inc. A structured phonics and reading programme which is being followed across the school to address the gaps in learning caused by the disruption to learning during COVID lockdowns. The Maths curriculum is taught through White Rose Maths, which was introduced to the school prior to COVID. This is being monitored to ensure it is fully embedded moving forward and improving outcomes in Maths.

## **Strategic Report (continued)**

### **Achievements and Performance (continued)**

#### **Key Performance (continued)**

##### **Aspire Academy Bexley (continued)**

From this September, with some of the COVID restrictions lifting, the school has been able to re-introduce many of their enrichment activities, including, after school sports clubs, choir, swimming and curriculum clubs. This will further enhance the curriculum offer and cultural capital.

COVID catch up funding has been used to ensure that pupils can engage in learning and targeted interventions so that they can make progress academically, socially, and emotionally. In particular it has been used to support any individual targets and gaps in their Maths and literacy learning. This has been done through a variety of structured interventions, which were delivered in class, in one to one or in small groups. In order to facilitate these interventions additional resources were needed to be purchased such as Beat Dyslexia and Dyscalculia teaching packs and Toe by Toe reading intervention books as well as additional TA support.

The other focus has been on addressing any gaps that pupils have had in terms of their Social, Emotional and Mental Health needs. The school has used the COVID catch up to help fund additional behaviour learning mentors to support the needs of these pupils.

##### **Endeavour Academy Bexley**

Endeavour Academy has continued to focus on the curriculum and Teaching and Learning. Pupils are able to access a broad and balanced subject offer which brings together an academic curriculum with vocational options. The result of this robust timetable has been year on year improvement for Year 11 leavers in terms of their outcomes and their “passport” to college, training or employment. The main headlines for the school for 2020/21 are:

- There has been a significant rise in the average number of qualifications entered per pupil from 6.4 in 2017/18 to 6.6 in 2018/19 to 10.6 in 2019/20 and 11.7 in 2020/21.
- The focus on early entry for Functional Skills in Year 10 & 11 has been a positive factor in the increase in qualifications as well as securing better outcomes with a direct impact being that 100% of pupils have for the first time gained Functional Skills L1 qualifications in both literacy and numeracy.
- 36% of qualifications achieved are at Level 2 / GCSE Grades 4-9, compared to 24% in 2019/20 and 9.4% in 2018/19.
- Outcomes for pupils in English and Maths: 30% of pupils achieved Grades 4-9 in English and 60% in Maths.
- In 2020/21 90% of pupils gained 5 or more GCSEs or equivalent qualifications. The one student (10%) who gained 4 GCSEs at grade 4+ had only been at Endeavour since March 2020.
- 60% of pupils left Year 11 with 6 or more GCSEs or equivalent qualifications.
- All pupils at Endeavour Academy secured a route into post-16 education, training and employment, again demonstrating the positive impact of the Transition Team in supporting pupils to make informed choices and move on successfully to the next phase of their education.
- 100% of pupils in Year 11 met their Fischer Family Trust (FFT) targets based on Key Stage 2 results in both English and Maths.

Analysis of vulnerable group data shows that both for BAME and Pupil Premium pupils there is no evidence of any gaps and certainly nothing to suggest that disadvantaged pupils do less well than their counterparts.



## **Strategic Report** (continued)

### **Achievements and Performance** (continued)

#### **Key Performance** (continued)

##### **Endeavour Academy Bexley** (continued)

Progress for pupils by the end of the year was positive with over 80% of pupils on track to meet or exceed expectations. The move to remote learning in January 2021 was accessed by the vast majority of pupils but at times, there were some pupils who found the lack of direct interaction a challenge and this impacted negatively on engagement in learning. Particular areas where gaps in attainment and progress widened were in English due to lack of direct support and opportunities for writing.

Catch Up funding was directed towards this area on all pupils returning in March 2021 and for an Intervention Teaching Assistant with a focus on behaviour for learning.

Self-evaluation for the school is validated by an external expert in SEN and is judged to be Good in line with the last Ofsted inspection in June 2016 with an upward trajectory in most areas.

##### **Horizons Academy Bexley**

Despite the impact of COVID-19 and the periods of remote learning, the number of learners achieving 5 x (4-9) grade GCSEs or equivalent including English and Maths increased by 11.8% to 36%, when compared to 2019/20, and an increase of 32.3% since 2018/19.

From a core subject perspective, the main improvement this year has been in the percentage of learners achieving a GCSE grade 4-9 or equivalent in Maths, which increased by 16% when compared to 2019/20, and an increase of 25.78% since 2018/19. This is partly down to a refined curriculum offer, which provides opportunities for learners to complete a Functional Skill, GCSE or a Northern Council for Further Education (NCFE) qualification, which is portfolio based. The achievement headlines for 2020/21 are as follows:

- The number of learners achieving 5 4-9 GCSE increased by 9.5% to 36% when compared to 2019/20.
- National Average for Pupil Referral Units (PRU) learners achieving 5 x 4-9 passes is 2%, which means that as a school they achieved 34% above national average.
- The number of 4-9 passes/equivalent in Maths increased by 16% to 48% when compared to 2019/20.
- Vocational subjects performed well over 2020/21, with 100% achievement in BTEC Level 2 Home Cooking and BTEC Level 1 Construction, 80% achievement in BTEC Level 1 Sport and 75% achievement in Vocational Training Charitable Trust (VTCT) Level 1 Hair and Beauty.

An analysis of disadvantaged pupils demonstrates minimal differences in achievements between these pupils and the remainder of the cohort, with 60% of PP and 70% of non-PP achieving 5 (1-9) Passes (incl. L1 E&M) respectively.

The School also provides an Outreach Service and despite the difficulties posed by the Coronavirus pandemic and periods of remote learning, the Outreach team had an effective year, which is highlighted by the data below.

- 56 students have received re-integration support during academic year 20-21.
- 30 students have remained in their mainstream schools.
- 89.2% students have been successful in remaining in their mainstream schools or have returned to our provision.
- 10 students have received prevention support since March 8<sup>th</sup> 2021 with significant success in keeping these young people in mainstream education.

## **Strategic Report** (continued)

### **Achievements and Performance** (continued)

#### **Key Performance** (continued)

#### **Horizons Academy Bexley** (continued)

COVID Catch up was used to support Maths 1 to 1 intervention on the students return in March as this was an area identified as students not making enough progress. Also, to support the students returning after lockdown, a Behaviour Learning Mentor was employed to aid in supporting appropriate behaviours on returning from significant time off from school.

#### **Woodside Academy**

Woodside Academy was last inspected in November 2018 and was judged Good in all areas. The school is an all-through provision opening to Early Years Foundation Stage (EYFS) in September 2019 and now catering for EYFS, primary, secondary and Post 16 children and young people. The school's self-evaluation maintains the overall quality of education as Good with data to substantiate this judgement. Pupils continue to have access to a broad, appropriate curriculum which prepares them well for adulthood and to sit examinations in relevant subject areas. Statutory tests for primary pupils were suspended for 2020-2021.

100% of pupils at Woodside have Education Health Care Plans. The following achievements should be noted for 2020/21 for Key Stage 4 learners at the school:

- 100% of pupils gained a BTEC qualification in a vocational area (including five students (10%) who have banked their units as they are continuing with their chosen BTEC in 2021 – 2022). 30% gained an Entry Level 1 either an Award or Certificate, 20% an Entry Level 2 either a Certificate or 'top up' units, 2% an Entry Level 3 Award, 38% a Level 1 either an Introductory Award, Certificate or Extended Certificate.
- 86% of KS4 pupils gained accreditation in English: 39% at an Award Scheme Development and Accreditation Network (ASDAN) level (short course), 18% at Entry Level 1, 25% at Entry Level 2, 4% at Entry Level 3. Out of the seven pupils (14%) who did not gain an additional English accreditation, they had all achieved an Entry level qualification in Summer 2020. The remaining two Y10 pupils will achieve an accreditation this academic year.
- 80% of pupils gained accreditation in Maths: 41% at Entry Level 1, 25% at Entry Level 2, 14% at Entry Level 3. Y11 pupils who did not gain an additional Maths accreditation, had achieved an Entry Level 3 qualification in Summer 2020 and so all left school with relevant Maths and English qualifications which enabled them to access appropriate further education courses. Disruptions to learning, the timing of the external exams the day after the May half term and the increasing complexity of needs in the KS4 cohort are contributors to non-achievement in additional Maths qualifications for 2020-2021.
- In 2021/22 a portfolio based qualification route for maths and English has been introduced.
- 98% of pupils gained Entry Level accreditation in Science (27% working on their ASDAN accreditation over 2 years), 12% at an ASDAN level (short course), 34% at an Entry 2 Level, 25% at an Entry Level 3.
- Post-16 pupils who remained in the school, rather than moving onto college at the end of Y12, achieved well with 100% achieving the Oxford, Cambridge and RSA Examinations (OCR) Life and Living Skills qualification at the end of Year 13. 17% gained an Entry Level 3 diploma in Life & Living Skills and 83% gained an Entry Level 3 extended certificate in Life and Living Skills.
- All Year 13 Post 16 leavers went onto further education. 17% went to Shooters Hill College and 83% went to Bexley College.
- Due to the pandemic a higher percentage of Year 11 pupils (55%) chose to stay on in Post 16 at Woodside. A number of these students could have left to go to college but their confidence was impacted due to the disruption the pandemic caused to their learning for the past 2 years. These students will be encouraged to apply to college for Year 13.

## **Strategic Report** (continued)

### **Achievements and Performance** (continued)

#### **Key Performance** (continued)

##### **Woodside Academy** (continued)

- The majority of the Year 11 leavers (9 pupils 45%) went onto further education – 45% to Bexley College, 33% to Shooters Hill College and 22% moved out of borough and applied to college via their new borough.
- No pupil leaving Woodside in 2020 – 2021 was NEET.
- Catch up funding was used to purchase considerable additional therapy time from both speech and language and occupational therapists.

##### **Belmont Academy**

Belmont Academy's last Ofsted inspection in March 2018 saw the school judged 'Good' overall with 'outstanding' for Behaviour, Welfare and Personal Development. The school is two form entry with a part-time Nursery provision. Further reviews commissioned to evaluate the effectiveness of Pupil Premium and the robustness of safeguarding also produced positive outcomes.

The KS2 results indicate that pupils achieve better outcomes in all areas including the combined core subjects in comparison to national. Despite the withdrawal of SAT's, pupil achievement remained high and school leaders were confident that the cohort of 2020 would have secured the best outcomes to date if they were reported in the usual way. Phonic Screen Check outcomes are consistently high, sitting within the top quintile nationally.

The following outcomes for 2020/21 should be noted:

- Reading improved across the year in Year 6 with students working at the expected standard in reading rising from 69% at the end of Autumn 2020 to 75% at the end of Summer 2021.
- End of KS2 Maths placed 70% of pupils at the expected standard at the end of 2020/21.
- 83% of pupils in KS1 attained the expected standard in reading rising from 76% at the end of Autumn (term 1) with 29% attaining the greater depth standard.
- Maths at the end of KS1 remained static with 74% of pupils attaining the expected standard although there was a greater proportion of pupils reaching the greater depth standard which rose from 16% to 24% by the end of the academic year.
- 93% of pupils in Year 2 passed the Phonics Screening Check maintaining outcomes from previous academic years with 87% of pupils in Year 1 on track to pass the Phonics Screening Check following administration in Autumn 2021.
- EYFS outcomes for year end placed 73% of pupils at a Good Level of Development (GLD) which was an increase from 52% from initial baseline assessment data.
- Other targeted areas for improvement saw 80% of pupils attaining the expected standard in reading following focus on fluency and comprehension.
- Targeted intervention in Year 1 ensured that 87% of pupils reached the expected standard in reading which was an increase of 17% from Autumn 2020 data and 80% attaining the expected standard in Maths, an increase of 7%.

Attendance and safeguarding continue to be key priorities with attendance data remaining regularly above the national range for schools nationally. There has been a reduction in the number of families taking holidays in term time which can be attributed to a change in school policy which introduced fines for term time holidays. The school has an effective partnership with the Educational Welfare Service and systems are in place to address persistent absence and poor attendance. There have been no permanent exclusions.

The school's self-evaluation evidences that the academy is providing a good service and education to its pupils with outcomes continuing on an upward trajectory. Belmont is a popular school within the community and remains over-subscribed each year.

## **Strategic Report** (continued)

### **Achievements and Performance** (continued)

#### **Key Performance** (continued)

##### **Belmont Academy** (continued)

The catch-up premium has been utilised in various ways including 1 to 1 and small group intervention work for reading, reading comprehension and Maths in EYFS, Year 1, Year 3 and Year 5. The impact of this is reflected in the outcomes and improvement shown above.

##### **Bramley Oak Academy**

Bramley Oak Academy joined the London South East Academies Trust in October 2020. Prior to this, the school had been given an Inadequate judgement by Ofsted. New leadership was appointed at the beginning of the last academic year and have worked closely with the Trust Leaders to make rapid improvements to all areas of the school.

Some of the key focuses following the previous Ofsted report included Safeguarding, Behaviour and Attendance. Safeguarding has been completely overhauled with external monitoring having taken place to assure its robustness. Attendance has seen a significant improvement with last year's attendance being at over 90%. This has continued the ongoing upward trend over the last several years, rising from 79% in 2017/18. Significant behaviour incidents have decreased across the school and challenging behaviour and low-level disruption is managed more effectively by the staff. This has resulted in a 36% decrease in number of days for fixed term exclusions from 2019/20 to 2020/21.

Over the last year, the school has introduced new schemes of work across the curriculum to ensure that there is a good breadth and depth of study. A new intervention program is taking place for core subjects with a focus on closing gaps and providing support for those children making the least progress. The phonics program, which was introduced in September of last year, has demonstrated excellent results with over 82% of children making expected or more than expected progress. Writing and Mathematics progress, although not yet moving learning forward rapidly enough, has demonstrated a significant improvement in the progress and outcomes for pupils. Significant work is being done around the quality of Teaching and Learning and the development of intervention to close these gaps and increase progress.

The school's Self Evaluation reflects this with all areas currently being deemed as Requires Improvement other than the Leadership and Management which is evaluated as Good. The school's key priorities are to develop and improve Teaching and Learning to lead to better outcomes across all areas of learning.

The progress that the school has made and the significant impact of joining the Trust has led to an increase in the PAN from 55 to 61 with ongoing negotiation around a substantial further increase following capital works. The School and Trust leadership is working closely with Surrey County Council to develop the ongoing provision for children with SEMH needs.

The school used the Catch-Up Premium to appoint an additional Intervention Lead and provide resources to support the ongoing development of interventions across the school. This Intervention Lead allowed the school to have two separate leads for Literacy and Numeracy and doubled its capacity in this area. These Leads have led on the assessment of all children including baselining following the return of the lockdown in order to get accurate levels and then set precise targets to move learning forward. They have supported staff in delivering interventions both in groups and individually.

## **Strategic Report** (continued)

### **Achievements and Performance** (continued)

#### **Key Performance** (continued)

##### **Bramley Oak Academy** (continued)

The Catch-Up money has also allowed greater time to be spent with individual children delivering interventions and supporting of the delivery of interventions by the class teams. One of the most significant impacts upon the increased amount of intervention delivered was the rapid progress made in Reading and Phonics which has been a major focus. Progress in Reading and Phonics increased by 21% up to 82.7% by the end of the year, with 19 students completing the phonics program. Key resources including additional phonics equipment, Maths manipulatives and Numicon Intervention packs were also purchased. These resources will have ongoing impact upon the delivery of interventions within the school.

##### **Summary of all Academies**

All academies within the Trust are therefore demonstrating that they are providing a good educational experience for their learners where they are able to achieve, and therefore demonstrating value for money. Differences in funding remain across the schools based on size, local authority budget and local arrangements for charging.

In spite of the unusual circumstances over the year which have led to some gaps in progress due to disrupted learning, the staff worked hard to ensure that gaps are being closed over time. Positives which must be drawn from this are the increasing number of qualifications being achieved each year, the improved standards demonstrated by the pupils' achievements and the low NEET data which all demonstrate that the pupils are learning, making progress, achieving, and successfully transitioning into the next stages of their education.

In addition, as a condition of the £3.2m grant to substantially improve the condition of the Bramley Oak estate, the Trust was the subject of a School Resource Management Advisor (SRMA) visit. The overall objective of SRMA visits is to support trusts to make best use of available resources. The SRMA visit went extremely well and the SRMA was very impressed with our Governance, strategy, school improvement, financial controls, financial planning, management accounts, and our planned provision based operating model. The SRMA did not identify any areas for improvement or efficiency savings.

##### **Going Concern**

The Trust has funding agreements in place with the ESFA, and has been commissioned by its Local Authorities to deliver provision for 2021/22 which is financed through top-up funding. The medium term financial plan for the Trust has been prepared on a prudent basis with appropriate contingencies and assumptions regarding the potential ongoing impact of Covid-19. Despite the challenges presented by the pandemic, the plan demonstrates that the Trust will have sufficient working capital to meet liabilities as they fall due.

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the Financial Statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

##### **Promoting the success of the company**

The directors recognise the potential long-term impact of its decisions and gives appropriate due regard to this consideration in arriving at decisions.

The Trust has many stakeholders which include but are not limited to staff, pupils, parents and carers, funding agencies, local authorities, and the local community. These stakeholder relationships are very important to the Trust and significant senior staff time is invested in both building and maintaining relationships and partnerships. The Trust recognises the importance of such relationships to its future success and works to ensure that these remain strong.

**Strategic Report** (continued)**Promoting the success of the company** (continued)

The Trust and its member academies have a good reputation for high quality education. The Special Provision Academies within the Trust attract out of borough placements funded by other local Authorities. In this regard, maintaining a quality brand is essential for the Trust's success at attracting such placements and developing future external relationships.

**Financial Review****Principal funding**

Much of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to the running of the Academy. The grants received from the ESFA during the year ended 31 August 2021, and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The Trust also receives top up funding grants from the relevant Local Authority in respect of the alternative and special provision it provides. The grants received together with the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

**Financial report for the year**

The total income for the period was £37.7m. This includes £11.2m in respect of the value of land and buildings transferred from the local authority. The Covid-19 pandemic had no material impact on total income for the year.

In accordance with correct disclosure requirements, the financial information which is presented in the statement of financial activities includes the inherited land and buildings donated from the Local Authority. Such presentation can obscure an overview of the annual operating performance of the Trust. Accordingly, such a view of the summarised operating performance of the Trust (which is extracted from the statement of financial activities) is re-stated below to exclude the donated fixed assets:

	£'000
Overall net movements in funds	£9,068
Add: net expenditure attributable to the fixed assets fund	£207
Less: other non-recurring income for the year	(£10,655)
Add: LGPS actuarial loss	£1,043
Add: LGPS service cost adjustment	£1,112
Add: LGPS interest cost adjustment	£107
Add: LGPS admin costs	£47
Operating surplus (excluding inherited land and buildings)	£929

Despite the ongoing pandemic having a particular detrimental impact on the numbers of pupils referred into Alternative Provision Schools, through strong financial management and control, the overall financial performance of the Trust and most Academies for the year was strong. This was achieved in accordance with principles of PPN 04/20 where required with the Schools supporting suppliers of services and contracts appropriately through partnership working and transparent negotiations.

It was not necessary for the Trust to apply for any Government support available during the pandemic and with most income variances being mitigated in full, the financial performance of the Trust was slightly better than it would otherwise have been with some small savings in staff and non-pay expenditure. The Trust did receive some Covid-19 catch-up funding to support pupils to catch up lost time after school closures and interrupted learning. This was deployed to provide additional support, lessons and interventions for those pupils who needed it most following the interruption to their learning. Some Schools also received some COVID-19 Mass testing funding to support the costs of staff who worked to conduct on-site testing.

## **Trustees Report (continued)**

### **Financial review (continued)**

#### **Financial report for the year (continued)**

At 31 August 2021, the net book value of fixed assets was £51.5m and movements in tangible fixed assets are shown in note 11 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the pupils within the Academies.

#### **Reserves Policy**

At 31 August 2021, the Trust had total funds of £48m. This comprised £52m restricted funds and £5m unrestricted general fund balances. The pension reserve balance, relating to the accounting for the Local Government defined benefit scheme for non-teaching staff, was in deficit by £8.6m at 31 August 2021 (2020: £5.8m). However, this does not mean that this liability will actually crystallise and the Trust is making appropriate deficit reduction payments. The financial results for the period are shown on page 39.

The Trustees have reviewed the Financial Statements of the Trust. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves will be kept under review by the Trustees and a formal reserves policy was approved at the Trust Board meeting on 2 April 2019. Despite the Coronavirus pandemic, there were no events or performance concerns during the year which required the trust to consider whether its reserves policy should be amended.

The policy seeks to accumulate reserves in order to mitigate risk, protect against unforeseen future events, and to build sufficient reserves to maintain the estate and equipment for learners.

In the context of these principles, Trust policy will be to hold sufficient reserves to:-

- i.) Manage cash flow and liquidity so that variable cash demands can be managed in order to smooth out irregular and cyclical spending and allow for unexpected and unpredictable needs. The recommended minimum reserve for this purpose is 9% of total income for each Academy;
- ii.) Manage known risks which are not insurable or where insurance does not provide value for money. This will be a specific sum as appropriate to each Academy;
- iii.) Fund annual capital investment in order to ensure the estate is safe and fit for purpose, and IT and other equipment is up to date and suitable for learning. The minimum reserve for this purpose is 2% of total income;
- iv.) Provide resources for major capital projects including building refurbishments, new buildings, or infrastructure improvements. Reserve levels for this purpose will be agreed on a case by case basis in accordance with the property strategy.

#### **Investment Policy**

The Investment Policy relates to the management of the Trusts cash flows, its banking, money market and investment transactions. The effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The Trust has a separate Treasury Management policy in place which is consistent with its social, ethical and environmental values.

#### **Principal Risks and Uncertainties**

A risk register is maintained at the Trust level which links into its board assurance framework. The risk register is reviewed at each meeting by the Group Audit Committee and Trust Board. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system and the risk register was updated during the year to reflect the numerous threats posed by the coronavirus pandemic

Outlined below is a description of three principal operational risks and uncertainties relating to the Trust.

**Trustees Report** (continued)**Principal Risks and Uncertainties** (continued)Ofsted Inspections

The Trust has a strong track record of School Improvement and improving the Ofsted grade of its Academies, but it currently has a number of its Schools within the Ofsted window. Due to the disruption caused by the pandemic, and the proportion of its Schools within the Ofsted window, the Trust considers this to be one of its principal risks. Comprehensive action plans are in place to mitigate this risk and this work is supplemented by independent external advisors. This risk and the related actions plans are regularly monitored by the board and its committees.

Financial Risk

The Trust has considerable reliance on the commissioning of places from Local Authorities. Places are generally commissioned on a year-by-year basis which results in uncertainties for future years. In addition, the deficit in the Local Government Pension Scheme which is described in note 24 is subject to annual actuarial valuations and is regularly monitored by the Trustees.

Despite the strong overall financial performance of the Trust, a number of Schools within the Trust have some significant financial challenges to address and this financial risk includes the potential of High Needs funding reforms to have an adverse impact on the Alternative Provision and / or Special Schools within the Trust.

This risk is monitored closely and is mitigated through strong working relationship with commissioning Local Authorities. In addition, where required, prompt management actions are taken to ensure expenditure correlates to income.

Coronavirus

The ongoing impact of the Coronavirus pandemic is expected to continue to have a potential to affect attendance at School and availability of the teaching and other support staff required to maintain the education provision. There is a risk that this may impact on the progress and achievement of pupils or their mental health and wellbeing. We are continuing to support the mental health and wellbeing of both pupils and staff and have robust Health & Safety controls together with contingency plans in place.

**Streamlined energy and carbon reporting**

<b>UK Greenhouse gas emissions and energy use data for the period 1 Sept 2020 to 31 August 2021</b>	
Energy consumption used to calculate emissions (kWh)	4,095,836
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none"> <li>• gas,</li> <li>• electricity,</li> <li>• transport fuel</li> </ul>	2,438,778 1,644,951 12,107
<u>Scope 1 emissions in metric tonnes O2e</u> Gas consumption Owned transport – mini-buses Total scope 1	446.7 3.0 449.7
<u>Scope 2 emissions in metric tonnes CO2e</u> Purchased electricity	349.3
<u>Scope 3 emissions in metric tonnes CO2e</u> Business travel in employee owned vehicles	0.0
Total gross emissions in metric tonnes CO2e	799
<u>Intensity ratio</u> Tonnes CO2e per pupil	0.486



## **Trustees Report (continued)**

### **Streamlined energy and carbon reporting (continued)**

#### **Quantification and Reporting Methodology**

The 2019 UK Government Environmental Reporting Guidelines were followed, and the report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas energy use was compiled from invoices and meter readings. For 2 sites (Bromley Trust Academy (Midfield) and Bromley Beacon Academy (Bromley)) electricity bills were unavailable or inaccurate, so consumption was estimated using the other schools in the trust as a benchmark (based on square meterage). Minibus energy use and emissions were calculated from odometer readings or litres of fuel used. Grey fleet energy use and emissions were calculated from mileage claims.

The energy data was converted to carbon emissions using the 2020 UK Government GHG Conversion Factors for Company Reporting. The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3).

#### **Intensity measurement**

The primary intensity ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, which is the recommended ratio for the sector for consistency and comparability. Pupil numbers are based on the Autumn 2019 Census.

Due to many of the academies having low pupil numbers compared to typical schools of similar floor area size due to the need to have a high staff to pupil ratio, staff numbers have been included as well in a secondary ratio to give a more representative and comparable intensity ratio than pupil numbers alone.

A third intensity ratio based on floor area (Gross Internal Area) is also provided to reflect the energy efficiency of the academy trust's buildings, which are the source of the majority of emissions.

#### **Measures taken to improve energy efficiency**

We are making progress on our journey to a NET ZERO Trust by 2050 or before, aligned to our sustainability aspirations. In the last 12 months we have made investment in replacing components on life expiry with more efficient building services, and are in the design phase of making one of our schools significantly approximately 50% more carbon efficient. We have also commenced a campaign across our operations to reduce our overall environmental impact.

#### **Fundraising**

There were no fundraising activities during the year.

#### **Plans for Future Periods**

With a new Vision Mission and Values in place for 2021/22, the Trust will build upon its One Trust Strategy together with its strategic priorities and the social value it generates.

The Trust will continue to strive and improve the levels of attainment and progress of all its pupils at all levels and will continue its efforts to ensure its pupils enter into sustained employment or a place in mainstream or further education and training once they leave.

The Trust has continued to work with the surrounding Local Authorities in London to provide commissioned places for those children requiring specialist provision. The Trust has received encouragement from the Regional Schools Commissioner to expand to up to 15 Schools.

## Trustees Report (continued)

### Plans for Future Periods (continued)

Work on this is well underway with six additional Schools joining the Trust since November 2017. This work is expected to continue and potentially accelerate with Government policy regarding academisation being re-affirmed and the drive to seek more larger academy trusts rather than small or single academy trusts. In this regard, the impending Schools white paper setting out the 'broader vision' for the Schools system is due in late 2021 and is expected to inform the direction of travel to support the trust to grow and develop. Once published, this will be used to develop our growth strategy in 2022.

The Trustees are committed to a policy of measured strategic expansion of the number of primary and secondary Alternative, Special, and Mainstream academies within the Trust. Particular priority will be given to new academies in the geographic areas in which the Trust and its sponsor already operate. In pursuit of this growth, plans are in place to add additional Schools into the Trust over the medium term. In addition, the Trust is committed to growing its existing Schools to meet demand through its strong reputation and relationships with Local Authorities. For 2021/22 through a significant change process, both Bramley Oak Academy and Bromley Beacon Academy have approval to increase their PAN by a further 6 and 20 places respectively.

Upon conversion of Bramley Oak Academy, the Trust was successful in securing a DfE capital grant totaling £3.2m to address its major suitability and condition issues which have a significant detrimental impact on learning and development of pupils. The capital works are expected to commence by the summer of 2022.

The Trust is in the process of negotiating new Memorandum of Understanding for both Bromley Trust Academy, and Horizons Academy covering a 5 year and 3 year period respectively. This will help to secure the medium-term plans and aspirations for our Alternative Provision across Bromley and Bexley and are expected to be agreed in 2021/22.

The Trust employs staff on numerous different terms and conditions following the transfer of staff under TUPE as Schools have joined the Trust. The Trust is committed to ensuring staff are remunerated fairly and that pay is both proportionate and justifiable for all staff in accordance with its approved Pay and Executive Pay policies. In this regard, the Trust will be working to move staff onto standardised LSEAT terms and conditions where possible to do so.

### Funds Held as Custodian Trustee on Behalf of Others

The Trust does not act as custodian trustee on behalf of any others.

### Auditor

Insofar as the Trustees are aware:

- There is no relevant audit information of which the charitable company'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.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2021 and signed on the Board's behalf by:



Mark Burnett  
Chair of Trustees

Date: 8 December 2021

## **Governance Statement**

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance and the Academies Handbook for 2021, which were provided to Trustees in September 2020.

## **Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between London South East Academies 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.

The Trust works closely with London South East Colleges (LSEC who together form the London & South East Education Group (LSEEG). LSEEG is the umbrella organisation to coordinate the strategy of the group and to optimise and strengthen both governance and collaboration between group entities. This is achieved through schemes of delegation (subject to their non-delegable primary governance responsibilities and authority; their regulatory obligations; and management of potential conflicts of interest). The Group is not a legal entity and organisations as members of the Group are not subsidiary companies which are controlled or owned by LSEEG.

Trustees and Governors have been appointed to the Group Board, Independent Legal Boards and the Joint LSEEG Group Committees, ensuring that a balanced combination of Governors and Trustees are represented on the each of these, as defined by the relevant Articles of Association. Clear and robust Terms of Reference have been approved for each Board and Committee alongside Schemes of Delegation. These all provide assurance together with strong governance accountability across the Group and the Legal Boards

Formal agendas, papers and reports are supplied to Trustees and each Group Committee in a timely manner, prior to meetings. Briefings are provided on an ad-hoc basis.

## **Governance Reviews**

On an annual basis Trustees complete a skills audit and also a Board self-evaluation review, which is good practice. The Board evaluation is based on a template provided by the Confederation of Skills Trust and has been adapted to include key context relating to the Trust.

To support the annual self-assessment, the Trust has developed a Board improvement and capacity framework which is aligned with the DfE competency framework for governance which sets out knowledge, skills and behaviours required to be a governor or charitable trustee. It also takes into account the work of the National Governance Association and the twenty-one questions identified by the All-Parliamentary Party Group on Education and Educational Leadership that MAT Boards should ask of themselves. The framework has 16 elements of improvement, which includes guiding questions to consider as well as descriptors of what strong and weak improvement capacity would look like at the Board level. Trustees are required to use the questions and descriptors to rate the Board against each element along a four-point scale: • Red (weak capacity) • Amber Red (AR) • Amber Green (AG) • Green (strong capacity).

Once the evaluation has been undertaken, a Trust Improvement Action Plan is created. This will focus on the key improvement areas identified and also link to strategic priority areas. Target completion dates may be annual or more than one year, where actions are associated with long term strategic goals and improvements.

## **Governance Statement (continued)**

### **Members**

Members of London South East Academies Trust are responsible for ensuring the Trust achieves its objectives, as well as compliance with charity and company law and funding agreements. They ensure that they use their discretion regarding their use of the Academy's funds reasonably, taking into consideration guidance on accountability or propriety.

Members comprise:

- the original signatories to the company's memorandum of association.
- additional members appointed and removed by special resolution of the existing membership.

The role of members includes:

- overseeing the achievement of the objectives of the Trust as set out in the articles of association and amending its articles of association when required;
- taking part in annual and extraordinary general meetings;
- appointing and removing members and Trustees;
- ensuring the financial stability of the Trust and approving its accounts;
- ensuring compliance with general principles of charity law;
- approving appointment of external auditors.

### **Board of Trustees**

The Trust is responsible through its Board of Trustees and Accounting Officer (the Chief Executive Officer), for all financial transactions within delegated authority. The work of the Trustees is supported by the joint Group Committees through a scheme of delegation which is consistent with the Articles of Association and the Academies Financial Handbook.

Trustees are appointed under the Trust's articles of association including being co-opted by directors. The role of Trustees includes:

- settling the strategic direction of the Trust and ensuring that the strategies of its academies are clearly defined, setting overall policy, defining goals and setting targets and evaluating performance;
- exercising the Trust's powers;
- expending Trust funds for its objects as set out in the articles of association;
- ensuring the sound, proper and effective use of the finances of the Trust, including responsibility for budget setting and auditing requirements in respect of academy accounts;
- ensuring the Trust pursues its objects, is compliant with both company and charity law and has due regard for any other relevant legislation or regulations.

### **Group Finance Committee**

The Group Finance Committee meets on a termly basis and provides additional scrutiny over financial performance of the Trust and related policies and provides assurances to the Board of Trustees that financial performance and oversight is being managed effectively.

### **Group Audit and Risk Committee**

The Group Audit and Risk Committee meets on a termly basis and provides a forum for reporting by the internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of management.

The internal auditors review the systems of internal control, risk management and governance processes in accordance with an agreed plan of input and report their findings to management and the Group Audit Committee.

**Governance Statement** (continued)

Management is responsible for the implementation of agreed recommendations and internal audit undertakes periodic follow up reviews to ensure such recommendations have been implemented. The Committee also advises the Board on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work and approves the fees to be paid.

The Group Audit Committee is required to report to the Board on the result of its work during the year and that of the internal and external auditors through its annual Audit Committee Report. This report is considered by the Board prior to the financial statements being approved

**Meetings**

The Board of Trustees met six times during 2020/21 and overall attendance is reported at 91%. Individual attendance during the year was as follows.

**Board of Trustees**

Trustee meetings attended out of a possible:

London South East Academies Trust Board							
Name	Appointed	Tenure	Role	Meetings	Attended	%	Resigned
Mark Burnett (Chair)	01/08/2018	4 years	Chair	6	6	100%	
Max Bero (Vice Chair)	01/02/2018	4 years	Vice Chair	6	5	83%	
Dr Sam Parrett, CBE	n/a	n/a	Trustee	6	5	83%	
Corinne Botten	06/12/2016	4 years	Trustee	5	5	100%	18/06/2021
Dr Tom Pey	16/07/2019	4 years	Trustee	5	4	80%	14/07/2021
John Slater	01/02/2019	4 years	Trustee	3	2	67%	01/03/2021
Janet Saunders	01/04/2019	4 years	Co-opted Trustee	6	6	100%	
Christopher Philpott	11/12/2019	4 years	Trustee	6	6	100%	
Denise James-Mason	16/07/2019	4 years	Co-opted Trustee	6	6	100%	
David Bailey	09/12/2020	4 years	Trustee	4	3	75%	
Dr Sebastien Chapleau	21/01/2021	4 years	Trustee	3	2	67%	
Emma Brand	21/01/2021	4 years	Trustee	3	3	100%	
Charles Yates	01/01/2021	4 years	Trustee	4	4	100%	
Prof Lynn Revell	12/05/2021	4 years	Trustee	1	1	100%	
Louise Wolsey	21/10/2020	1 year	Co-opted Trustee	6	6	100%	
			<b>Total Attendance</b>	<b>70</b>	<b>64</b>	<b>91%</b>	
Jennifer Pharo	n/a	n/a	Governance Professional & Clerk	6	6	100%	

The Group Finance Committee of the Trust met 3 times during 2020/21. Attendance during the meetings of the Committee for representatives of the Trust was as follows:

**Governance Statement** (continued)**Board of Trustees** (continued)

<b>GROUP FINANCE COMMITTEE</b>				
		<b>Meetings</b>	<b>Attended</b>	<b>%</b>
Group Finance Chair	Allan Carey	3	3	<b>100</b>
Trustee	Charles Yates	2	2	<b>100</b>
Trustee	Dr Sam Parrett, CBE	3	3	<b>100</b>
Trustee	Dr Tom Pey	2	1	<b>50</b>
<b>Total Trust Participation</b>		<b>10</b>	<b>9</b>	<b>90%</b>
Governance Professional & Clerk	Jennifer Pharo	3	3	<b>100</b>

The Group Audit and Risk Committee of the Trust met 3 times during 2020/21. Attendance during the meetings of the Committee for representatives of the Trust was as follows:

<b>GROUP AUDIT &amp; RISK COMMITTEE</b>				
		<b>Meetings</b>	<b>Attended</b>	<b>%</b>
Group Audit Chair	Marek Michalski	3	3	<b>100</b>
Trustee	Maxwell Bero	3	3	<b>100</b>
Trustee	John Slater	1	1	<b>100</b>
<b>Total Trust Participation</b>		<b>7</b>	<b>7</b>	<b>100%</b>
Governance Professional & Clerk	Jennifer Pharo (Clerk)	3	3	<b>100</b>

**Review of Value for Money**

The Trust reviewed the guidelines for paying suppliers and contractors following the publication of the Cabinet Office's Procurement Policy Note (PPN 04/20), and where applicable the principles of the PPN note were applied consistently.

Payment to utility and lease companies continued to be paid as normal within credit terms. Utilities charged based on usage and a fixed standing charge. The same also applied for lease companies as billed on a fixed charge plus usage. No payments were made in advance of fulfilment of contracts or services.

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

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

- Ensuring the pandemic has not had a detrimental impact on value for money;
- Improving back office services;
- Using tendered contracts in order to reduce costs and improve services;
- Improving pupil progression and attainment from previous benchmarks;
- Achieving a surplus from incoming resources for the year.
- Increasing the size of the Trust in order to benefit from greater economies of scale

## **Governance Statement (continued)**

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in London South East Academies Trust for the year ended 31 August 2021, and up to the date of approval of the Trustees' report and Financial Statements.

### **Capacity to Handle Risk**

The Trustees have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal on-going process for identifying, evaluating, and managing the Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021, and up to the date of approval of the annual report and Financial Statements. This process is regularly reviewed by the Trustees.

### **The Risk and Control Framework**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and appointed Scrutton Bland as internal auditor for the year to provide a full assurance service in accordance with internal Auditing Standards and in compliance with the FRC Ethical Standards for Auditors. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period covered:

- Risk Management
- Key financial controls
- Performance Management & Appraisals
- Health and Safety
- Cyber Risk Management
- Finance System Implementation
- Mental Health & Wellbeing
- Audit Actions Follow Up

The Internal Auditor reports to the Board of Trustees through the Group Audit Committee at least termly on the results of internal audit reports. The Internal Auditor provides the Group Audit Committee with a report on internal audit activity across the Trust, and the report includes the Auditor's independent opinion on the adequacy and effectiveness of the Trusts system of risk management, internal control, and governance processes.

## Governance Statement (continued)

### Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of senior managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

In addition, during the year the Trust was subject to a School Resource Management Advisor visit linked to capital funding for Bramley Oak Academy. This also provided a high level of assurance over the Trust systems processes for Risk Management, Governance, Financial Control, Financial Performance, and Value for Money. The Accounting Officer has been advised of the implications of the result of their review of the system of internal control and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Despite the Coronavirus pandemic and related restrictions during the year, the programme of internal audit was completed as planned, albeit with much work taking place remotely. This ensures that the Audit Committee and Board of Trustees were provided with the required assurance opinion on the system of internal control.

The Internal Auditors Annual Report, presented to the Group Audit Committee on 24 November 2021, and the Audit Committee's Annual Report, approved on 24 November 2021 contain the opinion that the Trust has adequate and effective risk management, governance, and internal control processes, together with adequate processes surrounding its efficiency and effectiveness.

Based on the advice of the Group Audit Committee and the Accounting Officer, the Board of Trustees is of the opinion that the Trust has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "*the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets*".

Approved by order of the members of the Board of Trustees on 8 December 2021 and signed on the Board's behalf by:



Mark Burnett  
Chair of Trustees



Dr Sam Parrett, CBE  
Accounting Officer



## **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of London South East Academies 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 ESFA terms and conditions of funding, 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 Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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.



Dr Sam Parrett, CBE

Accounting Officer

Date: 8 December 2021

## Statement of Trustees Responsibilities

The Trustees (who act as governors of London South East Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS 102) and the Academies Accounts Direction 2020 to 2021
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) 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 8 December 2021 and signed on its behalf by:



Mark Burnett

Chair of Trustees

## **Independent Auditor's Report on the Financial Statements to the Members of London South East Academies Trust**

### **Opinion**

We have audited the financial statements of London South East Academies Trust (the 'charitable company') for the year ended 31 August 2021 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 2020 to 2021.

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 2021 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 2019 and Academies Accounts Direction 2020 to 2021.

### **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.

**Other information** (continued)

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 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial 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;

**Auditor's responsibilities for the audit of the financial statements** (continued)

- ◆ 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](http://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.

*Buzzacott LLP*

Catherine Biscoe (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 21 December 2021

## **Independent Reporting Accountant's Assurance Report on Regularity to London South East Academies and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 1 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by London South East Academies Trust during the year 1 September 2020 to 31 August 2021 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 London South East Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to London South East Academies and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than London South East Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of London South East Academies Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of London South East Academies Trust's funding agreement with the Secretary of State for Education dated August 2016 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 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:

**Independent Reporting Accountant's Assurance Report on Regularity to London South East Educational Trust and the Education and Skills Funding Agency**  
(continued)

- 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 year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Buzzacott LLP*

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

Date: 21 December 2021



**Statement of Financial Activities for the year ended 31 August 2021  
(including Income and Expenditure Account)**

	Notes	Un- restricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2021 £000	Total 2020 £000
<b>Income and endowments from:</b>						
Donations and capital grants	2	19	20	8,725	<b>8,764</b>	146
Transferred from local authority	27	-	(531)	3,125	<b>2,594</b>	(217)
Charitable activities Funding for the academy trust's educational operations	3	3,294	23,056	-	<b>26,350</b>	21,804
Investments	4	2	-	-	<b>2</b>	-
<b>Total</b>		<b>3,315</b>	<b>22,545</b>	<b>11,850</b>	<b>37,710</b>	<b>21,733</b>
<b>Expenditure on:</b>						
Charitable activities Academy Trust educational operations	5	2,057	23,981	1,560	<b>27,598</b>	22,330
<b>Total</b>		<b>2,057</b>	<b>23,981</b>	<b>1,560</b>	<b>27,598</b>	<b>22,330</b>
<b>Net income/(expenditure)</b>		<b>1,258</b>	<b>(1,436)</b>	<b>10,290</b>	<b>10,112</b>	<b>(596)</b>
Transfers between funds	15	(353)	(316)	669	-	-
<b>Other recognised gains and losses</b>	24	-	(1,043)	-	<b>(1,043)</b>	2,095
<b>Net movement in funds</b>		<b>905</b>	<b>(2,795)</b>	<b>10,959</b>	<b>9,066</b>	<b>1,499</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		4,118	(5,775)	40,731	<b>39,094</b>	37,595
<b>Total funds carried forward</b>		<b>5,023</b>	<b>(8,550)</b>	<b>51,690</b>	<b>48,163</b>	<b>39,094</b>

All of the Academy Trust's activities derive from continuing operations during the above periods.

**Balance Sheet as at 31 August 2021**

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
<b>Fixed assets</b>					
Tangible assets	11		<b>51,509</b>		40,550
<b>Current assets</b>					
Debtors	12	<b>1,305</b>		699	
Cash at bank and in hand		<b>7,766</b>		6,397	
		<b>9,071</b>		7,096	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	<b>(3,772)</b>		(2,747)	
<b>Net current assets</b>			<b>5,299</b>		4,349
<b>Total assets less current liabilities</b>					
Pension scheme liability	24		<b>(8,645)</b>		(5,805)
<b>Total net assets</b>			<b>48,163</b>		39,094
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>					
. Fixed asset fund	15	<b>51,690</b>		40,731	
. General fund	15	<b>95</b>		50	
. Pension reserve	24	<b>(8,645)</b>		(5,805)	
<b>Total restricted funds</b>		<b>43,140</b>		34,976	
<b>Unrestricted income funds</b>	15		<b>5,023</b>		4,118
<b>Total funds</b>			<b>48,163</b>		39,094

The Financial Statements on pages 39 to 67 were approved by the Trustees and authorised for issue on 8 December 2021 and are signed on their behalf by:



**Mark Burnett**  
Chair of Trustees

**Statement of Cash Flows for the year ended 31 August 2021**

		<b>2021</b>	<b>2020</b>
		<b>£000</b>	<b>£000</b>
<b>Cash flow from operating activities</b>			
Net cash provided by operating activities	19	<b>2,040</b>	1,892
<b>Cash flows from investing activities</b>			
	20	<b>(671)</b>	(464)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,369</b>	1,428
<b>Cash and cash equivalents at 1 September 2020</b>		<b>6,397</b>	4,968
<b>Cash and cash equivalents at 31 August 2021</b>		<b>7,766</b>	6,397

## Notes to the Financial Statements for the year ended 31 August 2021

### 1. Statement of accounting policies

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

#### 1.1 Basis of Preparation

The 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 (FRS102), 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 (2019)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

London South East Academies Trust meets the definition of a public benefit entity under FRS 102.

#### 1.2 Going Concern

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

#### 1.3 Income

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

- **Grants**

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

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

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

- **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

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

## Notes to the Financial Statements for the year ended 31 August 2021 (continued)

### 1. Statement of accounting policies (continued)

#### 1.3 Income (continued)

- **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 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.

#### 1.4 Expenditure

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

#### 1.5 Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

**Notes to the Financial Statements for the year ended 31 August 2021** (continued)**Statement of accounting policies** (continued)**1.5 Tangible Fixed Assets** (continued)

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

• Building improvement works	6.67%
• Long leasehold buildings	1.12% to 2.13%
• Fixtures, fittings and equipment	10%
• ICT equipment	33%
• Motor vehicles	20% to 25%
• Office Equipment	33%

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

**1.6 Liabilities**

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

**1.7 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.

**1.8 Leased Assets**

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

**1.9 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 12. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value. Financial liabilities – trade creditors, accruals and other creditors are basic financial instruments, and are measured at amortised cost as detailed in notes 13 and 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

## Notes to the Financial Statements for the year ended 31 August 2021 (continued)

### Statement of accounting policies (continued)

#### 1.10 Taxation

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

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

#### 1.11 Pensions Benefits

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

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 quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a 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 operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest.

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

#### 1.12 Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

**Notes to the Financial Statements for the year ended 31 August 2021 (continued)**

**Statement of accounting policies (continued)**

**1.13 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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

**2. Donations and capital grants**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Restricted Fixed Asset Funds £'000</b>	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Capital grants	-	-	684	<b>684</b>	143
Donated fixed assets	-	-	8,041	<b>8,041</b>	-
Other donations	19	20	-	<b>39</b>	3
	<u>19</u>	<u>20</u>	<u>8,725</u>	<b><u>8,764</u></b>	<u>146</u>

	<i>Unrestricted Funds £000</i>	<i>Restricted Funds £000</i>	<i>Restricted Fixed Asset Funds £'000</i>	<i>Total 2020 £000</i>
<i>Capital grants</i>	-	-	143	143
<i>Donated fixed assets</i>	-	-	-	-
<i>Other donations</i>	3	-	-	3
	<u>3</u>	<u>-</u>	<u>143</u>	<u>146</u>



**Notes to the Financial Statements for the year ended 31 August 2021 (continued)**

**3. Funding for the Academy Trust's educational operations**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2021 £000</b>	<b>Total 2020* £000</b>
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	9,788	9,788	9,430
Other DfE/ESFA grants				
. UIFSM	-	69	69	-
. Pupil Premium	-	419	419	437
. Arts Council Funding	-	161	161	-
. Others	-	1,008	1,008	1,104
	<u>-</u>	<u>11,445</u>	<u>11,445</u>	<u>10,971</u>
<b>Other Government grants</b>				
Local authority grants	-	11,246	11,246	8,848
	<u>-</u>	<u>11,246</u>	<u>11,246</u>	<u>8,848</u>
Other income from the academy trust's educational operations	3,294	-	3,294	1,985
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	-	230	230	-
Other DfE/ESFA COVID-19 funding	-	135	135	-
	<u>-</u>	<u>365</u>	<u>365</u>	<u>-</u>
	<u>3,294</u>	<u>23,056</u>	<u>26,350</u>	<u>21,804</u>

The Trust received £230k of funding for catch-up premium and costs incurred in respect of this funding totalled £230k.

\*Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

**Notes to the Financial Statements for the year ended 31 August 2021 (continued)**

**3. Funding for the Academy Trust's educational operations (continued)**

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak, however, the Trust did not need to apply for the support due to utilisation of savings made.

	<i>Unrestricted Funds £000</i>	<i>Restricted Funds £000</i>	<i>Total 2020 £000</i>
<b>DfE/ESFA grants</b>			
<i>General annual grant (GAG)</i>	-	9,430	9,430
<i>Other DfE/ESFA grants</i>	-	-	-
<i>. UIFSM</i>	-	-	-
<i>. Pupil Premium</i>	-	437	437
<i>. Others</i>	-	1,104	1,104
	<u>-</u>	<u>10,971</u>	<u>10,971</u>
<b>Other Government grants</b>			
<i>Local authority grants</i>	-	8,848	8,848
	-	8,848	8,848
<i>Other income from the academy trust's educational operations</i>	1,985	-	1,985
<b>COVID-19 additional funding (DfE/ESFA)</b>			
<i>Catch-up premium</i>	-	-	-
<i>Other DfE/ESFA COVID-19 funding</i>	-	-	-
	<u>1,985</u>	<u>19,819</u>	<u>21,804</u>

**4. Investment income**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Interest receivable	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>
	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>

**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**5. Expenditure**

	<b>Non-Pay Expenditure</b>			<b>Total 2021 £000</b>	Total 2020 £000
	<b>Staff Costs £000</b>	<b>Premises £000</b>	<b>Other £000</b>		
Academy's educational operations					
- Direct costs	18,660	-	3,669	<b>22,329</b>	18,833
- Allocated support costs	3,342	1,509	418	<b>5,269</b>	3,497
	<b>22,002</b>	<b>1,509</b>	<b>4,087</b>	<b>27,598</b>	22,330

	<i>Non-Pay Expenditure</i>			<i>Total 2020 £000</i>
	<i>Staff Costs £000</i>	<i>Premises £000</i>	<i>Other £000</i>	
Academy's educational operations				
- Direct costs	16,094	—	2,739	18,833
- Allocated support costs	2,049	1,043	404	3,497
	<b>18,143</b>	<b>1,043</b>	<b>3,143</b>	<b>22,330</b>

Net income/(expenditure) for the year includes:	<b>2021 £000</b>	2020 £000
Operating lease rentals	<b>33</b>	26
Depreciation	<b>1,560</b>	1,068
Fees payable to auditor for:		
- audit	<b>21</b>	21
- other services	<b>5</b>	11

Included with expenditure are the following transactions:

	Total £	Individual items above £5,000	
		Amount £	Reason
Compensation payments	32,157	18,157 9,000 5,000	Compensation Pay Compensation Pay Compensation Pay

**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**6. Charitable activities**

	<b>Total 2021 £000</b>	Total 2020 £000
Direct costs – educational operations	<b>22,329</b>	18,833
Support costs – educational operations	<b>5,269</b>	3,497
<b>Total direct and support costs</b>	<b>27,598</b>	22,330
 <b>Analysis of support costs</b>		
Support staff costs	3,342	2,049
Technology costs	293	202
Premises	1,509	1,043
Legal costs – other	10	30
Other support costs	89	134
Governance costs	26	39
<b>Total support costs</b>	<b>5,269</b>	3,497

**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**7. Staff**

**a. Staff costs**

Staff costs during the year were:

	<b>Total 2021 £000</b>	Total 2020 £000
Wages and salaries	13,902	11,821
Social security costs	1,461	1,233
Operating costs of defined benefit pension schemes	4,023	3,341
	<b>19,386</b>	16,395
Supply staff costs	2,265	1,687
Staff restructuring costs	351	61
	<b>22,002</b>	18,143
Staff restructuring costs comprise:		
Redundancy payments	<b>77</b>	-
Severance payments	<b>274</b>	61
	<b>351</b>	61

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £32,157 (2020: £6,673). Individually, the payments were: £18,157, £9,000 and £5,000.

**b. Staff numbers**

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

Charitable activities	2021 No.		2020 No.	
	Average full-time equivalent	Average headcount	Average full-time equivalent	Average headcount
Teachers	161	206	136	144
Administration and support	230	289	206	275
Management	3	5	3	5
	<b>394</b>	<b>500</b>	<b>345</b>	<b>424</b>

**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**7. Staff** (continued)

**c. Higher paid staff**

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

	<b>2021</b>	2020
	<b>No.</b>	No.
£60,001 - £70,000	15	9
£70,001 - £80,000	6	4
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-
£120,001 - £130,000	-	2
£130,001 - £140,000	1	-
£150,001 - £160,000	1	-
£160,001 - £170,000	1	-
	<u>28</u>	<u>17</u>

The above employees participated in the Teachers' Pension Scheme, of which contributions amounted to £397,413 (2020: £238,076).

**8. Key Management Personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £455,160 (2020: £610,666).

**9. Related Party Transactions - Trustees' remuneration and expenses**

The Chief Executive Officer and other Trustees do not receive any remuneration in respect of services they provide in undertaking the roles as Trustees. No payments were made to Trustees during the year in connection with their roles as Trustees other than reimbursement of expenses incurred. During the year ended 31 August 2021, travel and subsistence expenses totalling £nil (2020: £nil) were reimbursed.

**10. 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 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.

**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**11. Tangible fixed assets**

	<b>Leasehold Land and Buildings £000</b>	<b>Assets under construction £'000</b>	<b>Furniture and Equipment £000</b>	<b>Motor Vehicles £000</b>	<b>Total £000</b>
<u>Cost</u>					
At 1 September 2020	42,860	163	557	14	<b>43,594</b>
Transferred on conversion	2,888	-	237	-	<b>3,125</b>
Donated assets	7,867	-	174	-	<b>8,041</b>
Additions	460	638	243	12	<b>1,353</b>
At 31 August 2021	<u>54,075</u>	<u>801</u>	<u>1,211</u>	<u>26</u>	<u><b>56,113</b></u>
<u>Depreciation</u>					
At 1 September 2020	2,833	-	206	5	<b>3,044</b>
Charged in year	1,351	-	204	5	<b>1,560</b>
At 31 August 2021	<u>4,184</u>	<u>-</u>	<u>410</u>	<u>10</u>	<u><b>4,604</b></u>
<u>Net book values</u>					
At 31 August 2021	<u><b>49,891</b></u>	<u><b>801</b></u>	<u><b>801</b></u>	<u><b>16</b></u>	<u><b>51,509</b></u>
At 31 August 2020	<u>40,027</u>	<u>163</u>	<u>351</u>	<u>9</u>	<u>40,550</u>

On 1 October 2020, Bramley Oak Academy became part of the Trust. The land and buildings were brought in at fair value as determined by an independent RICS surveyor.

**12. Debtors**

	<b>2021 £000</b>	2020 £000
Trade debtors	<b>353</b>	262
VAT recoverable	<b>353</b>	181
Prepayments and accrued income	<b>599</b>	255
	<u><b>1,305</b></u>	<u>699</u>

London South East Academies Trust Annual Report and Financial Statements  
**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**13. Creditors: amounts falling due within one year**

	<b>2021</b>	2020
	<b>£000</b>	£000
Trade creditors	<b>427</b>	83
Taxation and social security	719	550
Accruals and deferred income	2,626	2,114
	<b>3,772</b>	<b>2,747</b>

**14. Deferred income**

	<b>2021</b>	2020
	<b>£000</b>	£000
Deferred income at 1 September 2020	<b>416</b>	529
Resources deferred in the year	(89)	(152)
Amounts released from previous years	271	38
Deferred income at 31 August 2021	<b>598</b>	416

At the balance sheet date the Academy Trust was holding funds received for Shaw Futures Academy's pre-opening expenditure of £238,905 (2020: £238,905). In addition, the Trust holds funding of £199,531 received in advance of 2021/22 and ring-fenced funds of £113,317.



**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**15. Funds**

	Balance at 1 Sept 2020 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 Aug 2021 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	9,789	(9,473)	(316)	-
Pupil Premium	-	419	(419)	-	-
UIFSM	-	69	(69)	-	-
Catch-up Premium	-	230	(230)	-	-
Other DfE/ESFA COVID-19 funding	-	135	(135)	-	-
Coronavirus Job Retention Scheme grant	-	-	-	-	-
Arts Council Funding	-	161	(161)	-	-
Donated current assets on acquisition	-	20	-	-	<b>20</b>
Pension reserve	(5,805)	(531)	(1,266)	(1,043)	<b>(8,645)</b>
Other grants	50	1,007	(1,057)	-	-
	<b>(5,755)</b>	<b>11,299</b>	<b>(12,810)</b>	<b>(1,359)</b>	<b>(8,625)</b>
<b>Other restricted funds</b>					
Local authority grants	-	11,246	(11,171)	-	75
	-	11,246	(11,171)	-	75
<b>Restricted fixed asset funds</b>					
Transferred from local authority	39,132	3,125	(1,056)	-	<b>41,201</b>
Donated fixed assets		8,041	(272)	-	<b>7,769</b>
DfE/ESFA Capital grants	392	684	(182)	-	<b>894</b>
Capital expenditure from GAG	1,207	-	(51)	669	<b>1,826</b>
	<b>40,731</b>	<b>11,850</b>	<b>(1,560)</b>	<b>669</b>	<b>51,690</b>
<b>Total unrestricted funds</b>	<b>4,118</b>	<b>3,315</b>	<b>(2,057)</b>	<b>(353)</b>	<b>5,023</b>
<b>Total funds</b>	<b>39,094</b>	<b>37,710</b>	<b>(27,598)</b>	<b>(1,043)</b>	<b>48,163</b>

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**15. Funds** (continued)

**Total funds analysis by academy**

Fund balances at 31 August 2021 were allocated as follows:

	<b>Total 2021 £000</b>	Total 2020 £000
Bromley Trust Academy	1,196	1,030
Bromley Beacon Academy	1,257	1,086
Bramley Oak Academy	232	-
Endeavour Academy Bexley	472	191
Horizons Academy Bexley	1,274	1,275
Aspire Academy Bexley	122	125
Belmont Academy	(40)	(85)
Woodside Academy	526	417
Bexley Music Hub	51	-
Central services	28	129
Total before fixed assets and pension reserve	<u>5,118</u>	<u>4,168</u>
Restricted fixed asset fund	51,690	40,731
Pension reserve	(8,645)	(5,805)
Total	<u><b>48,163</b></u>	<u>39,094</u>

The deficit at Belmont Academy was inherited on conversion from the local authority. The academy has reduced its deficit from £85k to £40k during this academic year and is aiming to breakeven by 31 August 2022.

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**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

15. **Funds** (continued)

**Total cost analysis by academy**

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

	<b>Teaching and education support staff costs £000</b>	<b>Other support staff costs £000</b>	<b>Educational supplies £000</b>	<b>Other costs (excluding depreciation) £000</b>	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Bromley Trust Academy	2,658	887	518	301	<b>4,364</b>	3,712
Bromley Beacon Academy	2,277	1,205	938	370	<b>4,790</b>	3,783
Bramley Oak Academy	1,050	415	277	126	<b>1,868</b>	-
Endeavour Academy Bexley	1,601	210	284	287	<b>2,382</b>	2,163
Horizons Academy Bexley	2,461	266	333	236	<b>3,296</b>	3,156
Aspire Academy Bexley	1,005	145	157	115	<b>1,422</b>	1,300
Belmont Academy	1,727	273	328	156	<b>2,484</b>	2,390
Woodside Academy	3,205	379	451	228	<b>4,263</b>	4,038
Bexley Music Hub	159	11	16	50	<b>236</b>	-
London South East Academies Trust	76	726	73	58	<b>933</b>	718
	<b>16,219</b>	<b>4,517</b>	<b>3,375</b>	<b>1,927</b>	<b>26,038</b>	21,262

**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**15. Funds** (continued)

**Comparative information**

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

	<b>Balance at 1 September 2019 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Gains, losses and transfers £000</b>	<b>Balance at 31 August 2020 £000</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	9,430	(9,406)	(24)	-
Pupil Premium	-	437	(437)	-	-
Donated current assets on conversion	299	(217)	-	(82)	-
Pension reserve	(6,861)	-	(1,039)	2,095	(5,805)
Other grants	385	1,104	(1,104)	(335)	50
	<u>(6,177)</u>	<u>10,754</u>	<u>(11,987)</u>	<u>1,654</u>	<u>(5,755)</u>
<b>Other restricted funds</b>					
Local authority grants	-	8,848	(8,848)	-	-
	-	8,848	(8,848)	-	-
<b>Restricted fixed asset funds</b>					
Transfer on conversion	40,033	-	(901)	-	39,132
DfE/ESFA Capital grants	396	143	(147)	-	392
Capital expenditure from GAG	786	-	(19)	441	1,207
	<u>41,215</u>	<u>143</u>	<u>(1,068)</u>	<u>441</u>	<u>40,731</u>
<b>Total unrestricted funds</b>	<u>2,556</u>	<u>1,988</u>	<u>(427)</u>	<u>-</u>	<u>4,118</u>
<b>Total funds</b>	<u>37,595</u>	<u>21,733</u>	<u>(22,330)</u>	<u>2,095</u>	<u>39,094</u>

**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**16. Analysis of net assets between funds**

Fund balances at 31 August 2021 are represented by:

	<b>Unrestricted Funds £000</b>	<b>Restricted General Funds £000</b>	<b>Restricted Fixed Asset Funds £000</b>	<b>2021 Total Funds £000</b>
Tangible fixed assets	-	-	51,509	51,509
Current assets	5,023	3,867	181	9,071
Current liabilities	-	(3,772)	-	(3,772)
Pension scheme liability	-	(8,645)	-	(8,645)
<b>Total net assets</b>	<b>5,023</b>	<b>(8,550)</b>	<b>51,690</b>	<b>48,163</b>

	<i>Unrestricted Funds £000</i>	<i>Restricted General Funds £000</i>	<i>Restricted Fixed Asset Funds £000</i>	<i>2020 Total Funds £000</i>
<i>Tangible fixed assets</i>	-	-	40,550	40,550
<i>Current assets</i>	4,118	2,797	181	7,096
<i>Current liabilities</i>	-	(2,747)	-	(2,747)
<i>Pension scheme liability</i>	-	(5,805)	-	(5,805)
<i>Total net assets</i>	<i>4,118</i>	<i>(5,755)</i>	<i>40,731</i>	<i>39,094</i>

**17. Capital commitments**

At 31 August 2021 the Trust is not committed to any capital projects (2020: £nil).

**18. Commitments under operating leases**

**Operating leases**

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2021 £000</b>	2020 £000
Amounts due within one year	38	33
Amounts due between one and five years	151	130
	<b>189</b>	<b>163</b>

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**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**19. Reconciliation of net income/(expenditure) to net cash flows from operating activities**

	<b>2021</b>	2020
	<b>£000</b>	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	10,112	(596)
Depreciation (note 11)	1,560	1,068
Inherited fixed assets	(3,125)	-
Donated assets	(8,041)	-
Capital grants from DfE/ESFA and other capital income	(684)	(143)
Interest receivable	2	-
Defined benefit pension scheme cost less contributions payable (note 24)	1,159	925
Defined benefit pension scheme interest (note 24)	107	114
Defined benefit pension scheme obligation inherited	531	-
Increase in debtors	(606)	(9)
Increase in creditors	1,025	534
<b>Net cash provided by operating activities</b>	<b>2,040</b>	<b>1,892</b>

**20. Cash flows from investing activities**

	<b>2021</b>	2020
	<b>£000</b>	£000
Purchase of tangible fixed assets	(1,353)	(607)
Capital grants from DfE/ESFA	684	143
Interests from investments	(2)	-
<b>Net cash used in investing activities</b>	<b>(671)</b>	<b>(464)</b>

**21. Analysis of change in net funds**

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash in hand and at bank	6,397	1,369	7,766
Total cash and cash equivalents	6,397	1,369	7,766

## Notes to the Financial Statements for the year ended 31 August 2021 (continued)

### 22. Contingent liabilities

There are no contingent liabilities at the balance sheet date (2020: £nil).

### 23. 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.

### 24. 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 London Borough of Bromley and Bexley. Both are multi-employer defined benefit schemes.

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

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

#### Teachers' Pension Scheme

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

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

#### Valuation of the Teachers' Pension Scheme

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

## Notes to the Financial Statements for the year ended 31 August 2021 (continued)

### 24. Pension and similar obligations (continued)

#### Valuation of the Teachers' Pension Scheme (continued)

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,599,134 (2020: £1,315,958).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme 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 contribution made for the year ended 31 August 2021 was £1,346,064 (2020: £1,264,681), of which employer's contributions totalled £1,022,698 (2020: £972,301) and employees' contributions totalled £323,366 (2020: £292,380). The current employer contribution rates varies for each Academy and ranges between 13.7% and 25%, with the employee contribution rates varying between 5.5% to 12.5% for employees.

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



**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**24. Pension and similar obligations** (continued)

**Local Government Pension Scheme** (continued)

<b>Principal actuarial assumptions</b>	<b>At 31 August 2021</b>	<b>At 31 August 2020</b>
Rate of increase in salaries	<b>4.3%</b>	3.8%
Rate of increase for pensions in payment/inflation	<b>2.9%</b>	2.4%
Discount rate for scheme liabilities	<b>1.7%</b>	1.8%
Inflation assumption (CPI)	<b>2.8%</b>	2.3%
Commutation of pensions to lump sums	<b>50%</b>	50%

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

	<b>At 31 August 2021</b>	<b>At 31 August 2020</b>
<i>Retiring today</i>		
Males	<b>22.5</b>	22.4
Females	<b>25.2</b>	25.1
<i>Retiring in 20 years</i>		
Males	<b>24.1</b>	24.0
Females	<b>27.2</b>	27.1

**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**24. Pension and similar obligations** (continued)

**Principal actuarial assumptions** (continued)

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>Fair value at 31 August 2021 £000</b>	Fair value at 31 August 2020 £000
Equities	<b>5,660</b>	4,982
Other Bonds	<b>3,085</b>	2,156
Property	<b>1,100</b>	721
Cash/Liquidity	<b>835</b>	84
Other	<b>1,992</b>	1,099
<b>Total market value of assets</b>	<b>12,672</b>	9,042
Present value of scheme liabilities		
Funded	<b>(21,317)</b>	(14,847)
Deficit in the scheme	<b>(8,645)</b>	(5,805)

The actual return on scheme assets was £1,576,000 (2020: £384,000).

**Amounts recognised in the statement of financial activities:**

	<b>2021 £000</b>	2020 £000
Net service cost	<b>1,112</b>	870
Past service cost	-	12
Interest income	<b>(183)</b>	(131)
Interest cost	<b>290</b>	245
Admin expenses	<b>47</b>	43
Total amount recognised in the SOFA	<b>1,266</b>	1,039

**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**24. Pension and similar obligations** (continued)

**Principal actuarial assumptions** (continued)

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

	<b>2021</b>	2020
	<b>£000</b>	£000
<b>At 1 September</b>	<b>14,847</b>	13,460
Current service cost	<b>2,237</b>	1,853
Interest cost	<b>290</b>	245
Employee contributions	<b>354</b>	294
Past Service cost	-	12
Actuarial loss/(gain)	<b>2,444</b>	(920)
Benefits paid	<b>251</b>	(97)
Inherited on conversion	<b>894</b>	-
<b>At 31 August</b>	<b>21,317</b>	14,847

**Movements in the fair value of Academy Trust's share of scheme assets**

	<b>2021</b>	2020
	<b>£000</b>	£000
<b>At 1 September</b>	<b>9,042</b>	6,599
Interest income	<b>183</b>	131
Administrative expenses	<b>(47)</b>	(43)
Actuarial gain	<b>1,401</b>	1,175
Employer contributions	<b>1,125</b>	983
Employee contributions	<b>354</b>	294
Benefits paid	<b>251</b>	(97)
Inherited on conversion	<b>363</b>	-
<b>At 31 August</b>	<b>12,672</b>	9,042

The estimated value of employer contributions for the year ended 31 August 2021 is £601,149 (2020: £566,812).

**Notes to the Financial Statements for the year ended 31 August 2021** (continued)

**25. Related party transactions**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

As part of its shared Group Central Services function, the Trust shares a number of back office systems and staff with its sponsor, Bromley College of Further and Higher Education which trades under the brand of London South East Colleges. These shared systems include HR, Payroll, and Finance together with a related service desk system. No charges in respect of shared system costs were charged by the sponsor for the year (2019/20: £60,186), and no charges were levied for any back office support services provided.

**26. Events after the end of the reporting period**

There are no post balance sheet events.

**27. Transfer of existing Academies joining the Trust**

On 1 October 2020, Bramley Oak Academy (formerly Wey House School) joined the Trust with the approval of the DFE. All the operations and assets and liabilities were transferred to London South East Academies Trust from Surrey County Council for £nil consideration.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	<b>Total</b>
<b>Fixed assets</b>	<b>3,125</b>
<b>Non-Current liabilities</b>	
Inherited LGPS Pension deficit	<b>(531)</b>
<b>Net assets</b>	<b>2,594</b>

**Notes to the Financial Statements for the year ended 31 August 2020 (continued)**

**28. Comparative statement of financial activities for the year ended 31 August 2020**

	<b>Un- restricted Funds £000</b>	<b>Restricted General Funds £000</b>	<b>Restricted Fixed Asset Funds £000</b>	<b>Total 2020 £000</b>
<b>Income and endowments from:</b>				
Donations and capital grants	3	-	143	146
Transferred from local authority on conversion	-	(217)	-	(217)
Charitable activities				
Funding for the academy trust's educational operations	1,985	19,819	-	21,804
<b>Total</b>	<b>1,988</b>	<b>19,602</b>	<b>143</b>	<b>21,733</b>
<b>Expenditure on:</b>				
Charitable activities				
Academy Trust educational operations	427	20,834	1,068	22,330
<b>Total</b>	<b>427</b>	<b>20,834</b>	<b>1,068</b>	<b>22,330</b>
<b>Net income/(expenditure)</b>	<b>1,561</b>	<b>(1,233)</b>	<b>(925)</b>	<b>(596)</b>
Transfers between funds	-	(441)	441	-
<b>Other recognised gains and losses</b>	<b>-</b>	<b>2,095</b>	<b>-</b>	<b>2,095</b>
<b>Net movement in funds</b>	<b>1,561</b>	<b>422</b>	<b>(484)</b>	<b>1,499</b>
<b>Reconciliation of funds</b>				
Total funds brought forward	2,556	(6,178)	41,215	37,595
<b>Total funds carried forward</b>	<b>4,118</b>	<b>(5,755)</b>	<b>40,731</b>	<b>39,094</b>