

Strategic Report (continued)

Financial Review (continued)

Reserves Policy

On 31 August 2023, the Trust had total funds of £77.9m. This comprised £72.9m 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 £0.2m at 31 August 2023 (2022: £1.2m). 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 41.

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 11 July 2023.

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, the 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.
- ii.) 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.
- iii.) Provide additional pupil interventions and support in our Schools to ensure the success of pupils and Schools.
- iv.) Support the growth of the Trust through providing additional central team and School improvement / management capacity in advance of the achievement of growth.
- v.) Manage known risks which are not insurable or where insurance does not provide value for money.

Investment Policy

The Investment Policy relates to the management of the Trust's 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 which was reviewed and approved during the year.

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

Ofsted Inspections

The Trust has a strong track record of School Improvement and improving/maintaining good or better grades. Four academies were inspected last year, two graded and two ungraded inspections. The two graded inspections were Good with outstanding features. The two ungraded inspections remained Good with one school being deemed as perhaps better and therefore Ofsted will return within two years.

Strategic Report (continued)

Principal Risks and Uncertainties (continued)

Ofsted Inspections (continued)

The Trust currently has two academies within the Ofsted window. One of these schools is awaiting its first inspection since joining our Trust due to an academy order. Significant improvement has been made at this school but there is still a risk associated with this due to impact of COVID and national staffing crisis which have both impacted on school improvement and staffing at this provision at specific times since transfer. The Trust considers this to be a key risk. A comprehensive action plan is in place to mitigate this risk driven by Trust leaders and this work is supplemented and validated by independent external advisors. This risk and the related action plan is regularly monitored by the board and its committees.

Estate Health and Safety

The Trust pays close attention to Health and Safety including the safety of its estate and this forms a key part of due diligence when new Schools join the Trust. The Trust has systems in place to monitor the safety systems in place across its Schools and is advised by a dedicated, qualified and experienced group H&S team. This is reported through to a H&S Committee

together with a subcommittee which includes representatives from each School, and an annual H&S report is produced for the Board of Trustees. The H&S risk increased during the year following the transfer of the Heron Academy into the Trust, since the Trust identified that this School which has a number of legacy building related fire risks which had not previously been identified or addressed, and which now need to be resolved. Plans are in place to address these risks and good progress is being made in this regard. The Trust is working with the London Borough of Lambeth on a longer-term solution to resolve the more fundamental building design issues. In the interim, appropriate mitigations have been put in place to ensure the safety of pupils and staff.

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 FRS102 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 the current economic climate with high inflation, energy costs, and unfunded pay awards is putting severe pressure on our Schools.

This risk is being 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, with reserves also being utilised to support School operations.

Streamlined energy and carbon reporting

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

The electricity and gas consumption were compiled from invoice records with some estimations to complete minor data gaps. Mileage records were used to calculate energy use and emissions associated with Trust-owned vehicles (e.g. minibuses) grey fleet. Generally, gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

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

Strategic Report (continued)**Streamlined energy and carbon reporting** (continued)Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2022/23	2021/22
Mandatory requirements:		
Gas	2,313,062	2,206,312
Purchased electricity from the grid	2,132,671	1,520,303
Transport fuel	73,506	733,192
Total energy (mandatory)	4,519,239	4,459,807

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

Emission source	2022/23	2021/22
Mandatory requirements:		
<u>Scope 1</u>		
Natural gas	423.1	402.7
Company owned vehicles (minibuses)	8.2	6.3
<u>Scope 2</u>		
Purchased electricity (location-based)	441.6	294.0
<u>Scope 3</u>		
Category 6: Business travel (grey fleet)	9.8	9.6
Total gross emissions (mandatory)	882.7	879.0
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO ₂ e per pupil	0.603	0.702
Tonnes of CO ₂ e per pupil and staff member	0.426	0.480
Tonnes of CO ₂ e per square meter floor area	0.032	0.040

Intensity measurement

Three intensity ratios are reported showing emissions (tCO₂e) per pupil, per pupil & staff member combined and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn census of the respective year. Emissions per pupil & staff member combined is voluntarily calculated to acknowledge the different staff to pupil ratio compared to typical schools of similar floor area size. Emissions per square meter floor area is also voluntarily calculated to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

Measures taken to improve energy efficiency

Maintenance efficiency improvements have been made this year as components reach their life expiry and are replaced with more efficient components. This has included boiler replacements and their associated controls to more efficient and upgraded models and components. At Endeavour Academy we have replaced all lighting with new LED fittings which are 60-80% more efficient and over Summer 2023, we have replaced three major roofs which include increased (by 35% to current Building Regulations) insulation performance.

Trustees Report (continued)

Fundraising

There were no fundraising activities during the year.

Plans for Future Periods

The Trust has continued to embed its One Trust Strategy across all schools and Bexley Music Service to deliver school improvement, improved and further reaching central services, efficiencies, and greater collaboration and team work.

Professional Development of our staff at all levels is key to school improvement and driving this key area across the whole Trust. External Trust-wide CPD has focused on NPQs, Masters, PHDs and Level 7 Apprenticeships. We have also expanded our dedicated internal Trust-wide CPD model and resources including:

- expanding our team of Olevi facilitators
- sharing of best practice in safeguarding by our Group Director for Safeguarding with school DSLs and DDSLs
- our school improvement team being expanded with more expert external advisors
- staff seconded between roles across the Trust as part of their professional development and system leadership support, leading to progression and promotions in many cases.

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

In 2022/23 our Trust schools had 4 Ofsted inspections with all of them being rated Good or better. We continue to support all our schools to ensure all of them offer quality first educational experiences for all our children and young people.

The Trust has continued to work with many different Local Authorities in London to provide commissioned places for those children requiring specialist provision. The Trust has received encouragement from the DfE's London Regional Director to expand to 15 Schools as they perceive us as a high performing Trust who can support vulnerable schools to improve rapidly.

The Trustees are committed to a measured strategic expansion of the number of primary/ secondary Alternative Provision, Special, and Primary Mainstream academies within the Trust. Work on this is well underway with seven additional Schools joining the Trust since November 2017, as well as interest from a number of other Schools who are considering joining the Trust during 2023/24 from different local authorities across London and the South East.

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 currently taking place and are expected to complete by the end of 2023.

In addition, upon the conversion of Heron Academy, the Trust successfully secured just under £0.5m to address some of the worst building condition issues. Part of this money was utilised over the summer of 2023 to address a number of issues, and the remainder of the monies should be spent by summer 2024.

The Trust was encouraged to submit an application for the DfE's Trust Capacity Fund and was awarded the maximum amount of £100,000 for 2022/23. This has supported the conversion of Heron Academy as well as the expansion of our central service HR, Payroll and School Improvement teams.

The Trust has successfully negotiated new Memorandum of Understandings 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. Our Outreach Team associated with these two Alternative Provisions is seen

Trustees Report (continued)

Plans for Future Periods (continued)

as highly effective by the mainstream primary and secondary schools within the two LAs with early intervention and support for children and young people who are at risk of permanent exclusion being provided where necessary.

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 has worked hard to move staff onto standardised LSEAT terms and conditions where possible to do so.

Social Value

This is the fourth academic year that the Group has worked with the Social Value Portal (SVP) to measure the social value generated. At the time of writing, data collection and analysis for the 2022/23 report is still in the process of being finalised and externally reviewed. From an initial internal review, activities to generate social value are broadly in line with previous years. The Group is working with SVP to review how we measure social value, as we reach a more 'mature' stage of the process, and the TOMs framework is updated by SVP. This includes considering key definitions (e.g. 'local'), the measures available as part of the framework and the impact any changes has on social value estimates.

For context, in 2021/22 the Trust contributed approximately £13m to the Group social value generation, this has increased from circa £2m from 2020/21. The largest contribution was made by local employees which accounted for circa £12m. Staff CPD and training programmes including Apprenticeships, EDI and Safeguarding continue to be important contributions to the generated social value by improving health and wellbeing for staff and students.

External Funding

Foyle Foundation

The Foyle Foundation library scheme awarded £10,000 in mid-July. Project to develop a library specifically for children with SEMH needs at Aspire. The Foyle contribution will provide up to half of the total project cost with the other half coming from the Trust. T&Cs have been agreed and bank details for transfer of funds as confirmatory actions for the grant maker have been provided. The Policy, Research and Insights Graduate will be responsible for monitoring the implementation of the grant alongside the Aspire headteachers. A final project report from the funders is expected in January 2024.

Cory Sponsorship of LSEAT Schools membership for LSE Children's University (c. £10k)

Cory Group have agreed to fund the costs of school membership and passports to enable the roll out of Children's University across all schools within the Trust. LSECU is working in partnership with the Trust to develop a model for schools with high levels of disadvantaged pupils and where parent engagement is low. LSEC currently has the Children's University for Greenwich, Bexley and Bromley.

Youth Hostel Association Funding

In an exciting development, the Youth Hostel Association are working in partnership with us to offer funding towards residential and day trip experiences within their hostels. The two projects are aimed at children and young people in SEND schools and those from Disadvantaged backgrounds. The value of this development will be quantified as we journey through 2023/24.

Funds Held as Custodian Trustee on Behalf of Others

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

Trustees Report (continued)

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 12 December 2023 and signed on the Board's behalf by:



Rama Venchard, MBE
Chair of Trustees

Date: 12 December 2023

Governance Statement

There have been some changes to the Board Membership during the period September 2022 to August 2023. A new interim chair was appointed for 2022/23 following the resignation of the long standing Chair in July 2022. Christine Whatford CBE took up the interim role in September 2022 and served for one full year whilst a new long term Chair was recruited. Rama Venchard MBE was appointed as Chair of the Trust from 1 August 2023 on a four year term.

Other changes to Trustees and Directors are referenced in the table on page 1 including the resignation of three Trustees in year and appointment of three Trustees in year.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance and the Academies Trust Handbook for 2023, which were provided to Trustees in September 2023.

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 organization 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 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, an individual annual review 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 considers 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

Governance Statement (continued)

Governance Reviews (continued)

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. Individual annual reviews identified training needs to support committee membership and succession planning as well as address overall Trustee performance on the Board. The Board self evaluation and action plan was approved with the Board in May 2023.

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 Trust Handbook.

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

- setting 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.

Governance Statement (continued)

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 are 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.

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.

Trust Education Performance and Standards Committee

The Trust Education Performance and Standards Committee is the forum for reporting the academic performance and quality of education of the Trust Schools. Reviewing comparisons with each other and against national benchmarks. The Committee also considers, reviews and provides scrutiny of curriculum and teaching strategies alongside the professional development of teaching and support staff and managers.

Group Remuneration and Group Search & Governance Committees

These Committees meet two or three times a year. The Group Remuneration provides a forum for reviewing remuneration and benefits and the Trust Policies in this regard. The Group Search and Governance Committee provides a form for reviewing Board recruitment, training and development, succession planning and Board Reviews.

Conflicts of interests

The Board of Trustees confirm through their adopted and agreed Code of Governance a transparent policy position and practice for conflicts of interests. These includes a declaration of interest at the start of each and every Board and Committee Meeting and full disclosure and an annual declaration by every Trustees of conflicts of interest and suitability for the role. This ensures that any new conflicts due to personal changes in employment, non-executive appointments or family connections are declared timely and appropriately.

All declarations of interests are reviewed by the Group Executive Director Governance and published on the Trust website and include committee membership details and related party membership

Meetings

The Board of Trustees met six times during 2022/23 and overall attendance is reported at 87%. Individual attendance during the year was as follows.

Board of Trustees

Trustee meetings attended out of a possible:

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

London South East Academies Trust Board						
Name	Appointed	Role	Meetings	Attended	%	Resigned
Christine Whatford, CBE	01/08/2022	Chair	6	6	100%	30/07/2023
Denise James-Mason	16/07/2019	Vice Chair	6	6	100%	
Dr Sam Parrett, CBE	n/a	Trustee	6	6	100%	
David Bailey	09/12/2020	Trustee	6	6	100%	
Charles Yates	01/01/2021	Trustee	6	6	100%	
Christopher Philpott	11/12/2019	Trustee	6	5	83%	
Dr Sebastien Chapleau	21/01/2021	Trustee	3	1	33%	04/03/2023
Prof Lynn Revell	12/05/2021	Trustee	6	5	83%	
Nick Linford	01/09/2021	Trustee	4	2	50%	26/05/2023
Errol Ince	01/09/2021	Co-opted Trustee	6	5	83%	18/09/2023
Marek Michalski	08/12/2021	Trustee	6	6	100%	
Sunil Chotai	22/03/2022	Trustee	6	3	50%	01/09/2023
Danny Kwalombota	18/10/2022	Co-opted Trustee	6	6	100%	
Sarah Servantes	21/03/2023	Trustee	2	2	100%	
Beverley Eaglesfield	21/03/2023	Trustee	1	1	100%	
Rama Venchard, MBE	01/09/2023	Chair	n/a	n/a	n/a	
		Total Attendance	76	66	87%	
Jennifer Pharo	n/a	Group Chief Governance Officer	6	6	100%	

The Group Finance Committee of the Trust met 3 times during 2022/23. Attendance during the meetings of the Committee for representatives of the Trust was as follows:

GROUP FINANCE COMMITTEE				
		Meetings	Attended	%
Group Finance Chair	Angela Hands	3	3	100
Trustee	Charles Yates	3	3	100
Trustee	Dr Sam Parrett, CBE	3	3	100
Governor	David Eastgate	3	3	100
Governor	Joanne Bell	3	3	100
Trustee	Danny Kwalombota	3	3	100
Governor	Tony Bilbey	1	1	100
Trustee	Sarah Servantes	1	1	100
Total Trust Participation		20	20	100%
Group Chief Governance Officer	Jennifer Pharo	3	3	100

The Group Audit and Risk Committee of the Trust met three times during 2022/23. Both internal and external auditors attend the Audit & Risk Committee. Attendance during the meetings of the Committee for representatives of the Trust was as follows:

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

GROUP AUDIT & RISK COMMITTEE				
		Meetings	Attended	%
Group Audit & Risk Chair	Marek Michalski	3	3	100
Governor	Lucy Butler	2	2	100
Trustee	Nick Linford	2	2	100
Governor	Ayorinde John	2	2	100
Trustee	David Bailey	1	1	100
Governor	Sarah Lewis	1	1	100
Internal Auditors	Scrutton Bland	3	3	100
External Auditors	Buzzacott	3	3	100
Total Trust Participation		17	17	100%
Group Chief Governance Officer	Jennifer Pharo	3	3	100

The Trust Education Performance and Standards Committee met three times during 2022/23. Attendance during the meetings of the Committee for representatives of the Trust was as follows:

TRUST EDUCATION, PERFORMANCE & STANDARDS COMMITTEE				
Role	Name	Meetings	Attended	%
Committee Chair	Christopher Philpott	3	3	100
Trustee	Denise James Mason	3	3	100
Trustee	David Bailey	3	3	100
Trustee	Errol Ince	3	3	100
Trustee	Prof Lynn Revell	3	3	100
Trustee	Dr Sebastien Chapleau	1	1	100
Trustee	Sunil Chotai	3	3	100
Trustee	Beverley Eaglesfield	1	1	100
Trustee	Dr Sam Parrett, CBE	3	3	100
Total Trust Participation		23	23	100%
Group Chief Governance Officer	Jennifer Pharo	3	3	100

The Remuneration Committee met three times during 2022/23. Attendance during the meetings of the Committee for representatives of the Trust was as follows:

GROUP REMUNERATION COMMITTEE				
Role	Name	Meetings	Attended	%
Group Remuneration Committee Chair	Stephen Howlett, CBE DL	3	3	100
Chair LSEC Corporation	David Eastgate	3	3	100
Chair London South East Academies Trust	Christine Whatford, CBE	3	3	100
		9	9	100%
Group Chief People Officer	Janet Curtis Broni	3	3	100
Group Chief Governance Officer	Jennifer Pharo	3	3	100

The Search & Governance Committee met three times during 2022/23. Attendance during the meetings of the Committee for representatives of the Trust was as follows:

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

GROUP SEARCH & GOVERNANCE COMMITTEE				
Role	Name	Meetings	Attended	%
Committee Chair	Stephen Howlett, CBE DL	3	3	100
Chair London South East Academies Trust	Christine Whatford, CBE	3	3	100
Chair LSEC Corporation	David Eastgate	3	3	100
		9	9	100%
Group Chief People Officer	Janet Curtis Broni	3	3	100
Group Chief Governance Officer	Jennifer Pharo	3	3	100

Review of Value for Money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, 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;
- Investing both Trust resources and other grants received to improve the safety of the Trust estate;
- Implementing a centralised Planned Preventive Maintenance function to improve estate safety and compliance;
- Using reserves for the benefit of pupils and Trust Schools;
- Increasing the size of the Trust in order to benefit from greater economies of scale.

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 2023, and up to the date of approval of the Trustees' report and Financial Statements.

Governance Statement (continued)

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 2022 to 31 August 2023, and up to the date of approval of the annual report and Financial Statements. This process is regularly reviewed by the 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 the internal auditor for the year to provide a full assurance service in accordance with internal Auditing Standards. The internal auditor's role includes giving advice on internal control matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period covered:

- Health and Safety
- Key financial controls
- Staff performance management
- Staff experience / satisfaction
- Audit Actions Follow Up
- Cyber Risk Management
- Management Information
- Trust Growth Plans
- Environmental, Social & Governance

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 & Risk 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 Trust's system of risk management, internal control, and governance processes.

Risks Faced by the Trust

The Trust has in place a Risk Management Policy which sets out how risks are identified and evaluated. Risks are collated into a comprehensive risk register for review by the Group Audit & Risk Committee and Board of Trustees, including through deep dives into areas of significant risk. The risk register includes existing controls, new controls/improvements that are required, and clear links to the board assurance framework.

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:

Governance Statement (continued)

Review of Effectiveness (continued)

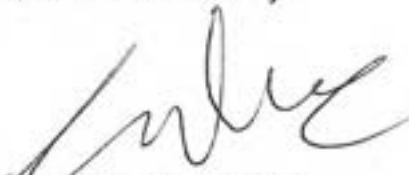
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of senior managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of the work of auditors and their review of the system of internal control, and plans to address any weaknesses and ensure continuous improvement of the system are in place.

The Internal Auditors Annual Report, presented to the Group Audit & Risk Committee on 22 November 2023, and the Audit Committee's Annual Report, approved on 22 November 2023 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 & Risk 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 12 December 2023 and signed on the Board's behalf by:



Rama Venchard, MBE
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, including for estates safety and management, 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 Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of 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 Trust Handbook 2022.

During the year, the Trust was the victim of a small payment diversion fraud totalling £9,478 perpetrated by a member of staff which was quickly discovered and investigated independently. The actions arising from this review have been implemented and our controls improved to help ensure there is no future recurrence. Steps are being taken to recover the small loss through debt collection agencies alongside the criminal investigation.

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: 12 December 2023

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 2022 to 2023
- 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 12 December 2023 and signed on its behalf by:



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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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 (FRS 102), the Academies Accounts Direction 2022 to 2023, the Academies Trust Handbook 2022 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. 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.



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

Date: 20 December 2023