

Company Registration Number: 08221088 (England & Wales)

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023**

Members

H Meikle
R Howard
M Rowland
A Smith

Trustees

P Shephard (Chairperson) *
J Coton *+
C Warmington +(resigned 22 March 2023)
L Pledger
K Magennis (resigned 22 March 2023)
K McCormack +
T Meeks +
A Baldwin
S Turner *
C Thiernemann
H Nicolaou (appointed 5 July 2023)

+ Members of the Finance, Audit & Risk, HR and Pay Committee

* Members of the Pupil Achievement and Wellbeing Committee

Senior Management Team

J Coton
Chief Executive and Accounting Officer
K Collins
Chief Operating Officer

Company Name

NET Academies Trust

Principal and Registered Office

Latton Green Primary Academy
Riddings Lane
Harlow
Essex
CM18 7HT

Company Registered Number

08221088 (England and Wales)

Independent Auditor

MHA MacIntyre Hudson
910 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Bankers

Lloyds Bank Plc
Old Market Square
Nottingham
NG1 6FD

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023

Solicitors

Browne Jacobson
Victoria Square House
Victoria Square
Birmingham B2 4BU

NET ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their Annual Report together with the financial statements and auditor's report of NET Academies Trust (also referred to as "the Charitable Company" or "the Trust") for the year 1 September 2022 to 31 August 2023. The Annual Report serves the purposes of both a Trustees' Report, a Directors' Report and a strategic report under company law.

The Trust operates a Multi Academy Trust for pupils aged 3 to 11 for schools in Essex. It has a pupil capacity of 2,358 (Including Nursery) and a roll of 2,164 in the autumn 2023 census.

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 NET Academies Trust are also the Directors of the Charitable Company for the purposes of Company law.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

The Board or Members identify potential new Trustees, ensuring that the skills and experience of new Trustees complement those of existing Board members. New Trustees are recommended for Board or Member approval.

The Articles of Association require that the number of Trustees shall be not less than three (unless otherwise determined by ordinary resolution) and shall not be subject to any maximum.

The Trust shall have the following Trustees:

- Up to five Sponsor Trustees
- An Academy Trustee representing the chairs of the local governing bodies of the Academies
- Co-opted Trustees appointed by the Trustees.

Recruitment of Trustees normally includes advertising on governance websites; cover letters are sent to or solicited by Trustees. The Trust Board review the cover letters and shortlist for interview. Following interviews, the interviewer will propose to the Board/Member the candidate/s to be approved at the next

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Board/Member meeting.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees is dependent on existing experience, although a general overview of the organisation and functions is provided in all cases. Where necessary, induction and training will be provided on all matters pertaining to the Trust's operation, in particular to educational, legal and financial matters. Training requirements are subject to on-going review.

Organisational Structure

NET Academies Trust is a Multi-Academy Trust.

There is a clear management structure to control the way the Trust is run. The structure consists of the Trustees, an executive team of officers and currently six Academies.

The Trustees are responsible for setting general policy, adopting, and monitoring an annual plan and budget, and making strategic decisions concerning the direction of the Trust.

The executive team, led by the Accounting Officer, control the Trust at management level, implementing the policies laid down by the Trustees and reporting back to them. An Executive Leadership Group consisting of the CEO, Heads of School with Trust responsibilities and COO meet monthly. The purpose of this group is to facilitate the collaboration and contribution of NET Academies' Executive Team towards the overall management and development of the Trust.

The Academies are grouped into two cluster governing bodies, one for Abbotsweld and Jerounds, one for Latton Green, Longwood and Katherines Primary Academies. A separate governing body has been established for Waltham Holy Cross Primary Academy. At individual Academy level there are Academy Forums where parent, staff and local community views can be gathered and information shared. The Governing Bodies exercise local control via the Terms of Reference delegated from the Board of Trustees. The composition of the Governing Bodies is determined by the Trust and reflects key stakeholders of the Trust in their membership. The activity of their meetings is reported to the Board of Trustees each term.

Little Lattons Nursery Limited is incorporated as a wholly owned trading subsidiary of the Trust. It is a private company limited by shares and incorporated with Company Number 13425682. NET Academies Trust is the sole shareholder and register holder of one fully paid share of £1 in the Capital of the Company. Little Lattons Nursery Limited has a separate Board of Directors in line with its Articles of Association. The Trustees of NET Academies Trust are not Directors of Little Lattons Nursery Limited. Little Lattons Nursery Limited is a private day-care nursery for children aged up to 5 years old, which is in line with the Trust's object to provide educational facilities and services to those of all ages and the wider community for the public benefit.

Arrangements for setting pay and remuneration of Key Management Personnel

The Key Management Personnel of the school are considered to be the Trustees and Executive Leadership Team as listed on pages 1 and 2.

The arrangements for setting pay and remuneration of Key Management Personnel are detailed in the Trust Scheme of Delegation. Where available relevant national pay-scales, School Teachers Pay and Conditions document (STPCD) and the Trust Pay Policy are adhered to. Pay and remuneration of senior central staff, Executive Headteachers and Headteachers is set and reviewed by the Finance, Audit & Risk, HR and Pay Committee, with recommendations as part of the annual cycle of Performance Management.

Trustees are not remunerated for their roles.

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Trade union facility time

No employee Trade Union Officials spent facility time on Trade Union duties or activities during the year.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the 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 a Trustee has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of transactions made and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Trust had the following related party transactions in the year, which are disclosed in the financial statement:

- Jo Coton, Trustee and CEO, was a Trustee of BMAT Education Trust until 22nd September 2022. During the year, the Trust was invoiced £1,000 for a number of placements at a specialist provision which is hosted at a Primary school which is part of BMAT Education Trust.
- Jo Coton, Trustee and CEO, is a member of Strive4 Academy Trust. During the year, the Trust was invoiced £400 for a review of teaching and learning at an academy in the Trust.

Little Lattons Nursery Limited is incorporated as a wholly owned trading subsidiary of the Trust. The company helps the Trust to pursue its charitable objects by offering a nursery provision on the same site as Latton Green Primary Academy. The results on the subsidiary are consolidated into these financial statements.

Engagement with employees (including disabled persons)

NET Academies Trust encourages staff contributions at all levels and close collaboration between our Academies. Heads of School and Deputy Headteachers meet regularly to share knowledge and best practice. The Trust Intranet provides access for all staff to policies and information including a Staff Handbook for each Academy. Academies hold regular staff meetings and briefings. New staff are fully inducted, and all staff take part in training at the beginning and throughout the academic year.

NET Academies Trust has a formal trade union recognition agreement in place. Termly Joint Consultative Committee meetings are held with the Trust's executive team and representatives of all appropriate Trade Unions to consult on all employee related matters and policies prior to adoption by the Board of Trustees.

NET Academies Trust is committed to promoting equal opportunities in employment and to create a working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit. We also value diversity and recognise the varied contributions that a diverse workforce brings to an organisation; we are committed to drawing on different perspectives and experiences of individuals which will add value to what we do, in line with our Equality and Diversity Policy.

Where required, adjustments are made for disabled persons including ramps, lifts and disabled toilet facilities. The policy of the Trust is to support employment of disabled people, both in recruitment and by retention of employees who become disabled whilst employed by the Trust, as well as generally through training and career development.

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

The Trust endeavours to maintain a clear and well-managed relationship with all our stakeholders. We follow Government guidance to help us determine best practice.

The Trust engages with suppliers for a number of services including facilities management, IT support, professional services and catering. The Trust undertakes procurement exercises to choose preferred suppliers, utilising the DfE Frameworks where possible. We ensure both national and local suppliers have the opportunity to participate and we take reasonable steps to ensure our suppliers comply with our principles including relating to data protection, human rights and environmental responsibility.

OBJECTIVES AND ACTIVITIES

Objects and Aims

NET Academies Trust incorporated on 19 September 2012 to manage Academies and is committed to working with partners in a spirit of shared values and a relentless drive for better outcomes for children and young people.

In accordance with the Articles of Association of the Trust, the principal activities of the Trust are defined by its objects, namely:

- a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the Academies") offering a broad and balanced curriculum;
- b) to promote for the benefit of the inhabitants of the areas in which the Academies are located and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants. Our focus is currently in the area of Essex.

The aims and ambitions of the Trust are rooted in its values. Its belief is that by working together in a spirit of shared values and a relentless drive for better outcomes, our Academy schools will enable pupils to achieve great things.

NET Academies Trust's Core Values:

The work of NET Academies Trust is underpinned by our core values: Integrity, responsibility, respect, justice, collaboration and passion.

NET Academies Trust's Mission:

Our mission as a growing Multi-Academy Trust is to ensure education provides children with life-fulfilling opportunities and the freedom to make choices about their future.

NET Academies Trust's Vision:

We aim to provide academic success, physical development and positive wellbeing for all pupils regardless of learning differences. We do this through collaboration, continuous improvement and community.

TRUSTEES' REPORT
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Objectives

2022-2023

1) Financial stability over time

- Develop the 0-3 community support provision (including Little Lattons)
- Seek 'coupling' with another MAT

2) Trust Provision

- Develop the Trust IT and digital literacy programme
- Create greater efficiencies and improvements across all areas of the shared service offer to Trust schools.

3) Educational outcomes

- Develop a writing strategy across the Trust
- Review and revise the Trust disadvantaged strategy- using the external review as guidance
- All schools inspected this academic year to be graded at least 'good.'

4) Talent management and Recruitment Strategy

- Develop a talent management strategy to ensure there is sufficient leadership capacity at all levels across NET schools
- Develop a recruitment strategy to improve appointments to support staff vacancies, including nursery, catering and site staff.

Public Benefit

In setting our objectives and planning our activities the Trustees of NET Academies Trust have complied with their duty to carefully consider the Charity Commission's general guidance on public benefit.

Achievements and Performance

The key achievements of NET Academies Trust were as follows:

- Four successful Ofsted inspections this academic year. All schools judged as good or continuing to be good. Trust support acknowledged in each report as being effective.
- Majority of Trust schools in line with national average for end of KS2 performance data.
- Implementation of 'Talk for Writing' program across all Trust schools.
- All schools setting a balanced budget for three-year forecast.
- 0-3 provision running in all schools, including a separate Trust day care Nursery.
- Development of Trust shared service provision.
- Effective recruitment and development of senior leaders to assist succession planning, including several internal secondments for the duration of one academic year.
- Wider SEND service offer for local schools.
- Trust coaching and wellbeing program for staff.
- Ongoing development and investment in the outdoor areas of Trust schools.
- Training for DEI and implementation of trust strategic plan for DEI.

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2023 Performance Data

		Abbotsweld	Jerounds	Katherines	Latton Green	Longwood	WHC	Trust Average
	National 2023	School July 23	School July 23	School July 23	School July 23	School July 23	School July 23	
Current Y6 expected to achieve ARE/ARE+ combined (RWM)	59%	43%	54%	75%	67%	52%	56%	58%
Current Y6 expected to achieve ARE/ARE+ in Reading	73%	61%	66%	93%	70%	71%	75%	73%
Current Y6 expected to achieve ARE/ARE+ in Writing	71%	68%	68%	75%	70%	77%	71%	72%
Current Y6 expected to achieve ARE/ARE+ in Maths	73%	52%	70%	86%	80%	79%	66%	72%
Current Y6 projected to achieve ARE+ in Reading	29%	11%	29%	61%	17%	15%	22%	26%
Current Y6 projected to achieve ARE+ in Writing	13%	7%	18%	18%	13%	17%	7%	13%
Current Y6 projected to achieve ARE+ in Maths	24%	20%	29%	39%	23%	15%	14%	23%
Current Y2 expected to achieve ARE/ARE+ combined (RWM)	56%	53%	48%	53%	53%	53%	49%	52%
Current Y2 expected to achieve ARE/ARE+ in Reading	68%	56%	62%	60%	70%	68%	57%	62%
Current Y2 expected to achieve ARE/ARE+ in Writing	60%	58%	54%	53%	57%	66%	53%	57%
Current Y2 expected to achieve ARE/ARE+ in Maths	70%	53%	62%	68%	70%	63%	56%	62%
Current Y2 projected to achieve ARE+ in Reading	19%	4%	15%	3%	3%	13%	3%	7%
Current Y2 projected to achieve ARE+ in Writing	8%	2%	4%	3%	3%	12%	0%	4%
Current Y2 projected to achieve ARE+ in Maths	16%	4%	8%	13%	13%	15%	12%	11%

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Current Y1 projected to achieve Phonics Check pass (32 pass mark)	79%	76%	91%	83%	87%	80%	81%	83%
Current Y2 projected to achieve Phonics Check pass (32 pass mark)	89%	98%	79%	60%	50%	67%	89%	74%
Current Reception projected to achieve GLD	65%	62%	68%	76%	73%	65%	65%	67%
		Abbotsweld	Jerounds	Katherines	Latton Green	Longwood	WHC	Trust Average
	National 2022	School July 23	School July 23	School July 23	School July 23	School July 23	School July 23	
Y4 MTC – % of children scoring 25 (maximum score)	31%	41%	48%	55%	59%	49%	38%	48%
Y4 MTC School Average Score	20.22	18.84	22.23	21.59	21.26	21.60	21.30	21.14

KS1 and 2 combined for age related expectations- NET Academies average was in line with national average.

Year 1 phonics- All six NET Academies above national average

Year 2 phonics- Some NET Academies were below national average, but there are contextual reasons such as significant SEND needs in these cohorts.

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Key Performance Indicators

Financial Performance

Trustees use high level key performance indicators (KPIs) to monitor the overall financial performance of the Trust. These performance indicators for the past three years have been:

	2023	2022	2021
Staff Costs as a percentage of operating revenue	77%	80%	81%
Net Current Assets	£2.745M	£2.936M	£2.756M
Free Reserves (unrestricted reserves plus restricted general reserves)	£2.705M	£2.915M	£2.356M

Academy Performance

Trustees monitor the performance at each academy in each of the following areas:

- Pupil numbers against PAN
- Number of incidents:
 - Safeguarding- including child on child abuse
 - Health & Safety
 - Behaviour
- Attendance
- Exclusions
- Suspensions
- Quality of teaching
- Quality of Leadership and Management
- Quality of governance
- Financial sustainability
- Ofsted rating

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

As at 31 August 2023 the Balance Sheet of Little Lattons Nursery shows a net liabilities position. This is predominantly as a result of the £90k remaining loan balance between Little Lattons Nursery and NET Academies Trust. The Trustees of NET Academies Trust hereby confirm the Trust continues to be fully supportive of Little Lattons Nursery. The Trust will not recall the outstanding balance or request repayment of the loan should this affect the going concern status of the subsidiary company.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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Promoting the success of the company

Trustees of NET Academies Trust promote the success of the Trust to achieve its charitable purposes, as detailed in the objectives and activities section of this report, and in doing so have paid due regard to:

- the likely consequences of any decision in the long term
- the interest of the Trust's employees
- the need to foster the Trust's business relationships with suppliers, customers and others
- the impact of the Trust's operations on the community and the environment
- the desirability of the Trust maintaining a reputation for high standards of business conduct
- the need to act fairly between Academies within the Trust

FINANCIAL REVIEW

Principal Funding

Most of the Trust's income is obtained from the Department for Education via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to running Academies. The grants received from the Department for Education during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

Financial Report

During the year ended 31 August 2023 incoming resources and resources expended can be summarised as follows:

	£'000
Incoming resources	12,603
Resources expended	13,396
Net expenditure	788

At 31 August 2023 the Trust held fund balances of £34,482k. These funds included restricted fixed asset funds of £31,980k and unrestricted funds of £2,172k. There is a pension fund reserve with a deficit balance of £203k. The net book value of fixed assets at 31 August 2023 was £31,899k and movements in tangible fixed assets are shown in Note 18 to the financial statements. The assets were used exclusively for providing education and the associated support services for pupils of the Academies.

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Reserves Policy

Trustees regularly review the financial reserves of the Trust. During the year to 31 August 2023 the Trustees maintained a central reserves policy to ensure financial stability across the Trust and provide maximum benefit for all. Reserves are monitored closely on a central level to ensure that sufficient reserves are available to meet the priorities of the school improvement plans and adequately sustain central operations.

The Trust heavily invested reserves in the following:

- School improvement
- Curriculum enrichment
- Facilities updates across all schools

At 31 August 2023 the total funds comprised:

	£'000
Unrestricted	2,172
Restricted:	
Fixed asset funds	31,980
Pension reserve	(203)
Other	533
	<hr/>
	34,482

The pension reserve, which represents the Trust's share of the Local Government Pension Scheme's (LGPS) assets and liabilities, is in deficit at 31 August 2023 by £203k (2022 - £1,066k). The deficit is not expected to crystallise in the near future and any cash outflows arising from the deficit will occur over a number of years.

The Trustees are satisfied that this level of reserves is sufficient to meet the requirements of planned expenditure that cannot be covered by future income and provides appropriately against the impact of considered risks.

General funds not allocated against future capital projects provide a stable platform for the Trust to fulfil its plans as detailed in Plans for Future Periods below.

Investment Policy

The objectives of the Trust's Investment Policy are:

- To provide a means by which the Academy can meet its commitments
- To ensure that sufficient sums are available at short or no notice to meet foreseeable requirements
- To earn an acceptable rate of return on surplus funds without undue risk
- To spread risk between differing types of investment and institutions

Cash balances surplus to the Trust's working capital requirements are placed on deposit to generate interest income to support the Trust's objectives, either directly with banking institutions or utilising a cash management platform. The Trust only places deposits with each institution up to the maximum amount which is protected by the Financial Services Compensation Scheme, on a range of fixed and notice deposits up to a maximum 12 month term. The Trust's policy is clearly geared to avoiding risk rather than maximising income.

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Principal Risks and Uncertainties

The Board of Trustees identify, assess and mitigate perceived risk for the Trust. A Risk Register is in place which is subject to regular review by Trustees. Key members of staff and Trustees are involved in the preparation of the Risk Register.

The key risks are assessed as:

- Reinforced Autoclaved Aerated Concrete (RAAC) used in construction of school buildings which has been found to be part of the structure of the roof in Jerounds Primary Academy and Katherines Primary Academy, Sufficient mitigation works have previously been undertaken at Jerounds, however at Katherines mitigation or remediation works are required in 2023/24 to enable the school to 'be fully utilised again. The Department for Education have confirmed that they will provide Capital funding for all mitigation works required to school buildings affected by RAAC.
- Revenue risk arising from fluctuations in Government Funding determined at government level
- Cost increases arising from costs outside our direct control - e.g. unfunded staff pay increases, and fuel bills
- Insufficient provision for increasing number of SEND pupils on roll
- Ability to recruit high quality teaching staff and suitably qualified support staff
- Cyber security threats to IT systems

We aim to mitigate these risks by (respectively):

- Following all government guidance on RAAC and working closely with our Project Manager from the Department for Education to complete mitigation works as soon as possible.
- Developing our Trust Estates Strategy Plan to set the framework for managing the Trust's estate to provide a welcoming, safe, attractive and compliant environment in all academies for pupils, staff and visitors and inspiring well-resourced learning spaces to enhance pupils' educational experience and outcomes.
- Reforecasting our budgets on a conservative basis and reacting to any announced changes by cost cutting or making changes in teaching subjects and teaching load where possible;
- Maintaining strong budgetary and reforecasting systems for reacting to costs outside our direct control - e.g. unfunded staff pay increases
- Holding appropriate reserve levels and revising budgets as and when changes to employer pension contribution rates are communicated
- Investing Trust Reserves in specialist staff on short term contracts to support an unusually high number of SEND pupils with significant needs.
- Reviewing options to establish an Additional Resourced Provision (ARP) within the Trust.
- Carefully monitoring the budget and periodically consulting staff on their wellbeing
- Developing recruitment and talent management strategies to improve appointments and ensure there is sufficient leadership capacity at all levels
- Investing in IT infrastructure to ensure compliance with RPA Cyber Security requirements can be achieved

FUNDRAISING

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

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STREAMLINED ENERGY AND CARBON REPORTING REPORT

UK Greenhouse gas emissions and energy use data for the period 1 September 2022 to 31 August 2023	Current Reporting Year 2022/23	Comparison Reporting Year 2021/22
Energy consumption used to calculate emissions (kWh)	1,851,329	2,183,534
Energy consumption break down (kWh) (optional):		
• gas	1,253,282	1,630,060
• electricity	593,880	548,916
• transport fuel	4,167	4,558
Scope 1 emissions in metric tonnes CO₂e		
Gas consumption	225.59	298.56
Owned transport – mini-buses	0.63	0.79
Total Scope 1	226.22	299.35
Scope 2 emissions in metric tonnes CO₂e		
Purchased electricity	122.98	116.55
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee owned vehicles	0.36	0.31
Total gross emissions in metric tonnes CO ₂ e	349.56	416.22
Intensity ratio Tonnes CO ₂ e per pupil	0.17	0.21

Quantification and reporting methodology

We have followed the 2023 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

NET Academies Trust have arranged for smart meters to be installed across the majority of sites and this is continuing to ensure all sites have smart meters as soon as possible. The Trust has increased use of video conferencing technology for staff and governance meetings to reduce the need for travel between sites. The Trust is in the process of obtaining Energy Efficiency Surveys with a view to exploring installation of additional LED lighting solutions and solar panel technology.

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PLANS FOR FUTURE PERIODS

The Board and DfE have approved the strategy to focus growth in the Essex and North East London region. This will take the form of sponsoring new academies or working in partnership with other schools and Trusts in a peer support model to share best practice. Coupling or supporting another Trust is something that the Trust will actively explore for the academic year 2023-2024.

The Trust recognises its moral obligation to inclusion and welcomes the opportunity to diversify by providing alternative provisions should this be required in Harlow. In preparation for this the Trust has structured its SEND team (Special Educational Needs and Disabilities) to include a range of specialist teachers and SENCos. The team have developed an external offer of SEND support for local schools to access at competitive, non-profit making rates.

The Trust's provision now includes a 0-3 Day Care facility to support local children and families from an earlier age. Given the need for family support within the area, this will be a benefit educationally and socially. A Trust Early Years facility will also assist with recruitment and retention of Trust staff by providing high quality childcare.

The Trust recognises its duty of care to all staff. It will continue with its programme of healthy living and wellbeing workshops for staff to access. This is intended to improve the physical and mental health of staff, whilst also reducing staff absence and improving recruitment and retention. The Trust also provides a free wellbeing 'Lifeworks' service for all staff to access.

The Trust considers itself to be an inclusive employer. After a DEI review of existing provision and practice the trust has provided training to promote awareness and support of protected characteristics. The Trust is now well placed to construct a robust strategic plan to ensure it is an inclusive employer.

The Trustees are satisfied that cash balances held at the end of the year support the plans for future periods.

One Trust school is in the Ofsted inspection window this academic year. It is our aim that this school will be graded as least 'good' in all areas.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

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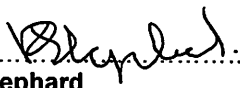
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the Company Directors, on 6th December 2023 and signed on the Board's behalf by:


.....
Peter Shephard
Chair of Trustees

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that NET 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.

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board of Trustees has met formally 4 times during the year. Where the Board has met less than 6 times during the year, it has ensured sufficient oversight of the Trust's reserves by liaising closely with the Finance, Audit & Risk, HR and Pay (FARHP) committee. The role and responsibilities of the FARHP committee is discussed further below.

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

Trustee	Meetings attended	Out of a possible
Peter Shephard (Chair)	4	4
Jo Coton, CEO and Accounting Officer	4	4
Thomas Meeks	4	4
Luke Pledger	3	4
Adam Baldwin	4	4
Kieren McCormack	4	4
Christoph Thiernemann	4	4
Sarah Turner	4	4
Charlotte Warmington	1	2
Karolina Magennis	0	2
Hayley Nicolaou	1	1

The Trust has a Conflicts of Interest Policy and all Directors, Trustees, Members and Senior staff complete a Declaration of Interests each year, or on joining the Trust. The Trust maintains a register of business interests which is published on its website. Any person must declare a potential conflict of interest to the Trust Board who will consider any conflict of interest declared, ensuring that any potential effect on decision-making is eliminated. Members of the Trust Board who declare an interest in a matter being discussed, will be excluded for that discussion and not able to vote.

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

The role of the Board of Trustees is to have a strategic overview of the Trust and monitor its business on behalf of its Members. This is carried out in accordance with the three core functions as set out in the Governance Handbook as well as the requirements of Charitable Law and Company Law.

The key priorities for the Board of Trustees over the last academic year have centred on the sustainability of the Trust and ensuring that the budget and spend were justifiable and within acceptable parameters, whilst maintaining high standards and minimizing any risk and impact to the pupils' experiences, safety and outcomes.

The Board of Trustees continued to monitor against each of the objectives within the Trust Strategy Plan and the associated risks.

Following a skills audit, there have been two new Trustees appointed to strengthen the skillset of the Board.

The Finance, Audit & Risk, HR and Pay Committee is a sub-committee of the main Board of Trustees. Its purpose is to maintain oversight of the NET Academies Trust governance, risk management, internal control and value for money framework. It also maintains oversight of the Trust's staff body development, employment practices, working conditions and staff well-being, relevant policies and remuneration of staff.

Key issues for the Finance, Audit & Risk, HR and Pay (FARHP) Committee were:

- managing the impact on the budget unforeseen costs such as fuel and unfunded staff pay increases;
- Managing reserves across the Trust;
- Increased focus on staff pay and conditions to support recruitment and retention of high quality staff;
- A renewed focus on capital spend to ensure high quality and engaging educational environments.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Thomas Meeks (Chair)	4	4
Jo Coton, CEO and Accounting Officer	4	4
Kieren McCormack	4	4
Charlotte Warmington	2	3

The Pupil Achievement and Wellbeing Committee is a sub-committee of the main Board of Trustees. Its purpose is to maintain oversight of the Trust performance data relating to pupil attainment and progress: safeguarding; commissioning of external reviews as necessary.

Key issues for the Pupil Achievement and Wellbeing Committee were:

- Monitor progress and attainment of all pupils, providing challenge and support where appropriate;
- Monitor Trust strategies for the support of pupil and staff wellbeing;
- Monitor staff capacity in relation to expansion of the Trust;
- Monitor safeguarding of pupils;
- Follow up actions arising from external teaching and learning reviews

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes, 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 appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Carefully monitoring the integration between finances and curriculum to optimise efficiency
- Continue to robustly follow procurement policy to ensure best value
- Use of DfE Frameworks, where appropriate, and the Risk Protection Assurance (RPA) scheme
- Ensuring systems in place to monitor compliance with all estates related requirements for safe, well-maintained and compliant school sites

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in NET Academies Trust for the period 1st September 2022 to 31 August 2023 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1st September 2022 to 31 August 2023 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The 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 Finance, Audit & Risk, HR and Pay committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programs
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

The Board of Trustees has considered the need for a specific internal audit function and has decided to buy-in an internal audit service from SBM Services Limited for 2022-2023. In accordance with the FRS Ethical Standard for auditors the internal and external audit service are not provided by the same firm with effect from 1 September 2020.

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

- Risk management
- Budget Setting and Monitoring

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

The internal auditor has delivered their schedule of work as planned; no material control issues were identified.

REVIEW OF EFFECTIVENESS

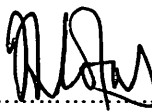
As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the FARHP Committee and ensures continuous improvement of the system is in place.

Approved by order of the Members of the Board of Trustees on 6th December 2023 and signed on its behalf by:


.....
Peter Shephard
Chair of Trustees


.....
Jo Coton
Accounting Officer

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of NET Academies Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022.

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

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



J Coton
Accounting Officer
Date: 6 December 2023

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

Company law requires the Trustees to prepare financial statements for each financial 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 Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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


.....
P Shephard
Chair of Trustees

Date: 6 December 2023

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NET ACADEMIES TRUST

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NET ACADEMIES TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent Trust 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:

- the parent Trust has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Trust 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.

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NET ACADEMIES TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Trust 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 Group's and the parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent Trust 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:

- Obtaining an understanding of the legal and regulatory framework that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NET ACADEMIES TRUST (CONTINUED)

Use of our report

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



Cara Miller ACCA (Senior Statutory Auditor)

for and on behalf of
MHA

Statutory Auditor

Colchester, United Kingdom

Date: 14 December 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 14 November 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by NET Academies Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of NET Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of NET Academies Trust's funding agreement with the Secretary of State for Education dated 26 February 2015 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw our conclusions includes:

- reviewing the minutes of meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Trust, with reference to the income streams and other information available to us as auditors of the Trust;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Internal Reviewer.

Conclusion

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

MHA

Cara Miller ACCA (Senior Statutory Auditor)
MHA
Statutory Auditor
Colchester, United Kingdom

Date: 14 December 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:						
Donations and capital grants	4	2	-	150	152	78
Other trading activities	6	469	-	-	469	140
Investments	7	18	-	-	18	1
Charitable activities	5	356	11,602	-	11,958	11,270
Teaching schools	33	-	11	-	11	98
Total income		845	11,613	150	12,608	11,587
Expenditure on:						
Raising funds		365	-	-	365	59
Charitable activities	9,10	14	11,979	994	12,987	12,208
Teaching schools	33	-	44	-	44	98
Total expenditure	8	379	12,023	994	13,396	12,365
Net income/(expenditure)		466	(410)	(844)	(788)	(778)
Transfers between funds	22	(367)	33	334	-	-
Net movement in funds before other recognised gains/(losses)		99	(377)	(510)	(788)	(778)
Other recognised /(losses) gains:						
Actuarial gains /(losses) on defined benefit pension schemes	29	-	931	-	931	5,552
Net movement in funds		99	554	(510)	143	4,774

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted	Restricted	Restricted	Total	<i>Total</i>
		funds	funds	fixed asset	funds	<i>funds</i>
		2023	2023	2023	2023	2022
Note		£000	£000	£000	£000	£000
Reconciliation of funds:						
Total funds brought forward	22	2,073	(224)	32,490	34,339	29,565
Net movement in funds		99	554	(510)	143	4,774
Total funds carried forward		<u>2,172</u>	<u>330</u>	<u>31,980</u>	<u>34,482</u>	<u>34,339</u>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 36 to 74 form part of these financial statements.

NET ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08221088

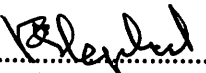
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Intangible assets	17		49		54
Tangible assets	18		31,927		32,462
			<u>31,976</u>		<u>32,516</u>
Current assets					
Debtors	19	544		442	
Cash at bank and in hand	27	3,554		3,770	
		<u>4,098</u>		<u>4,212</u>	
Creditors: Amounts falling due within one year	20	(1,353)		(1,276)	
Net current assets			<u>2,745</u>		<u>2,936</u>
Total assets less current liabilities			<u>34,721</u>		<u>35,452</u>
Creditors: Amounts falling due after more than one year	21		(36)		(47)
Net assets excluding pension liability			<u>34,685</u>		<u>35,405</u>
Defined benefit pension scheme liability	29		(203)		(1,066)
Total net assets			<u><u>34,482</u></u>		<u><u>34,339</u></u>
Funds of the Trust					
Restricted funds:					
Restricted fixed asset funds	22	31,980		32,490	
Restricted general funds	22	533		842	
		<u>32,513</u>		<u>33,332</u>	
Restricted funds excluding pension asset	22				
Restricted general funds - pension reserve	22	(203)		(1,066)	
Total restricted funds	22		<u>32,310</u>		<u>32,266</u>
Unrestricted funds	22		<u>2,172</u>		<u>2,073</u>
Total funds			<u><u>34,482</u></u>		<u><u>34,339</u></u>

NET ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08221088

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 29 to 74 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


.....
P Shephard
Chair of Trustees
Date: 6 December 2023

The notes on pages 36 to 74 form part of these financial statements.

NET ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08221088

TRUST BALANCE SHEET
AS AT 31 AUGUST 2023

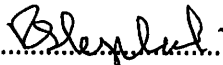
	Note	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Tangible assets	18		31,899		32,454
Current assets					
Debtors	19	624		565	
Cash at bank and in hand		3,492		3,617	
		<u>4,116</u>		<u>4,182</u>	
Creditors: Amounts falling due within one year	20	(1,284)		(1,190)	
Net current assets			<u>2,832</u>		<u>2,992</u>
Total assets less current liabilities			<u>34,731</u>		<u>35,446</u>
Creditors: Amounts falling due after more than one year	21		(36)		(47)
Net assets excluding pension liability			<u>34,695</u>		<u>35,399</u>
Defined benefit pension scheme liability	29		(203)		(1,066)
Total net assets			<u><u>34,492</u></u>		<u><u>34,333</u></u>
Restricted funds:					
Restricted fixed asset funds	22	31,980		32,490	
Restricted general funds	22	533		842	
		<u>32,513</u>		<u>33,332</u>	
Restricted funds excluding pension liability	22	32,513		33,332	
Restricted general funds - pension reserve	22	(203)		(1,066)	
Total restricted funds	22		<u>32,310</u>		<u>32,266</u>
Restricted general funds - pension reserve					
Unrestricted funds	22	2,182		2,067	
Total unrestricted income funds	22		<u>2,182</u>		<u>2,067</u>
Total funds			<u><u>34,492</u></u>		<u><u>34,333</u></u>

NET ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08221088

TRUST BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. The Trust's movement in funds for the year a surplus was £346k (2022 - £4,768k)

The financial statements on pages 29 to 74 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


.....
P Shephard
Chair of Trustees
Date: 6 December 2023

The notes on pages 36 to 74 form part of these financial statements.

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	24	88	2,069
Cash flows from investing activities	26	(293)	(1,308)
Cash flows from financing activities	25	(11)	(13)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(216)	748
Cash and cash equivalents at the beginning of the year		3,770	3,022
Cash and cash equivalents at the end of the year	27, 28	3,554	3,770
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 36 to 74 form part of these financial statements

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

NET Academies Trust is a company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operation is detailed on page 1. The nature of the Trust's operations and principal activity are detailed in the Trustees report.

2. 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.

2.1 Basis of preparation of financial statements

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

NET Academies Trust meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in Pounds Sterling which is the functional currency of the Trust and are rounded to the nearest thousands (£'000).

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Going concern

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

As at 31 August 2023 the Balance Sheet of Little Lattons Nursery shows a net liabilities position. This is predominantly as a result of the £90k remaining loan balance between Little Lattons Nursery and NET Academies Trust. The Trustees of NET Academies Trust hereby confirm the Trust continues to be fully supportive of Little Lattons Nursery. The Trust will not recall the outstanding balance or request repayment of the loan should this affect the going concern status of the subsidiary company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

Grants are included in the Consolidated 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 Consolidated Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year 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.

• **Donations**

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

• **Other income**

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

2.4 Expenditure

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

• **Expenditure on raising funds**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.4 Expenditure (continued)

• **Termination benefits**

Termination benefits are recognised when employment is terminated by the Trust before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for termination benefits.

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

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

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

2.7 Intangible assets

Intangible assets costing £2k or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

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

The estimated useful lives are as follows:

Goodwill	- 10 years
----------	------------

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.8 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold buildings	- 32-40 years from conversion
leasehold buildings	- 20-25 years from conversion
leasehold improvements	- 20-25 years
Fixtures, fittings and equipment	- 4 years
Computer equipment	- 3 years

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

2.9 Investments

Investments held as fixed assets are valued at cost less provision for impairment.

2.10 Debtors

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

2.11 Cash at bank and in hand

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

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.12 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 Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 20 and 21. 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. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.15 Pensions

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

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

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

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

2.16 Fund accounting

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

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

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

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

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Income from donations and capital grants

	Unrestricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Donations	2	-	2
Capital grants	-	150	150
Total 2023	2	150	152

	<i>Unrestricted funds 2022 £000</i>	<i>Restricted fixed asset funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Donations	30	-	30
Capital grants	-	48	48
<i>Total 2022</i>	<i>30</i>	<i>48</i>	<i>78</i>

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Funding for the Trust's charitable activities

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000
Educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	-	9,211	9,211
Other DfE/ESFA grants			
Pupil Premium	-	826	826
Rates Relief	-	38	38
Universal Infant Free School Meals	-	268	268
Others	-	666	666
	<hr/>	<hr/>	<hr/>
	-	11,009	11,009
Other Government grants			
Local Authority revenue grants	-	593	593
	<hr/>	<hr/>	<hr/>
	-	593	593
Other income from the Trust's educational operations	356	-	356
	<hr/>	<hr/>	<hr/>
	356	11,602	11,958
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

There are no unfulfilled conditions or contingencies attached to the government grants above.

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Funding for the Trust's charitable activities (continued)

	<i>Unrestricted funds 2022 £000</i>	<i>Restricted funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	-	8,820	8,820
Other DfE/ESFA grants			
Pupil Premium	-	768	768
Rates Relief	-	37	37
Universal Infant Free School Meals	-	250	250
Others	-	402	402
	-	10,277	10,277
Other Government grants			
Local Authority revenue grants	-	591	591
Other Government revenue grants	-	79	79
	-	670	670
Other income from the Trust's educational operations	323	-	323
	323	10,947	11,270

6. Income from other trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000
Hire of facilities	71	71
Other self generated income	36	36
Nursery grant income	157	157
Nursery fee income	205	205
	469	469

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

6. Income from other trading activities (continued)

	<i>Unrestricted funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Hire of facilities	70	70
Other self generated income	4	4
Nursery grant income	27	27
Nursery fee income	39	39
	<hr/>	<hr/>
	140	140
	<hr/> <hr/>	<hr/> <hr/>

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000
Bank interest receivable	18	18
	<u>18</u>	<u>18</u>

	<i>Unrestricted funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Bank interest receivable	1	1
	<u>1</u>	<u>1</u>

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Expenditure

	Staff Costs	Premises	Other costs	Total
	2023	costs	2023	2023
	£000	2023	£000	£000
		£000		£000
Expenditure on trading activities:				
Direct costs	270	-	6	276
Allocated support costs	-	44	45	89
Educational operations:				
Direct costs	7,684	-	592	8,276
Allocated support costs	1,742	1,052	1,917	4,711
Teaching school	-	-	44	44
Total 2023	9,696	1,096	2,604	13,396

	Staff Costs	Premises	Other costs	Total
	2022	costs	2022	2022
	£000	2022	£000	£000
		£000		£000
Expenditure on trading activities:				
Direct costs	37	-	-	37
Allocated support costs	-	5	17	22
Educational operations:				
Direct costs	6,958	-	541	7,499
Allocated support costs	2,327	630	1,752	4,709
Teaching school	-	-	98	98
Total 2022	9,322	635	2,408	12,365

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total 2023 £000
Educational operations	14	12,973	12,987

	<i>Restricted funds 2022 £000</i>	<i>Total 2022 £000</i>
Educational operations	12,208	12,208

10. Analysis of expenditure by charitable activities - by type

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000
Educational operations	8,276	4,711	12,987

	<i>Activities undertaken directly 2022 £000</i>	<i>Support costs 2022 £000</i>	<i>Total funds 2022 £000</i>
Educational operations	7,499	4,709	12,208

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Analysis of expenditure by charitable activities - by type (continued)

Analysis of support costs

	Total funds 2023 £000	Total funds 2022 £000
Pension finance costs	30	90
Staff costs	1,712	2,237
Depreciation	994	895
Technology costs	183	185
Premises costs	1,052	630
Other costs	675	600
Governance costs for parent	36	44
Legal costs	23	28
Governance costs for subsidiary	6	-
	<u>4,711</u>	<u>4,709</u>

11. Governance costs

	2023 £000	2022 £000
Auditors remuneration - Audit of the financial statements	23	21
Auditors remuneration - other services	8	9
Internal audit services	4	5
Other governance costs	7	9
	<u>42</u>	<u>44</u>

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023	2022
	£000	£000
Depreciation of tangible fixed assets	988	897
Amortisation of intangible assets	5	-
Fees paid to auditor for:		
- Audit of the financial statements	25	21
- Other services	10	9
	=====	=====

13. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group	Group	Trust	Trust
	2023	2022	2023	2022
	£000	£000	£000	£000
Wages and salaries	7,038	6,259	6,778	6,223
Social security costs	656	590	651	590
Pension costs	1,563	2,070	1,558	2,069
	=====	=====	=====	=====
	9,257	8,919	8,987	8,882
Agency staff costs	409	313	409	313
Defined benefit pension scheme finance cost	30	90	30	90
	=====	=====	=====	=====
	9,696	9,322	9,426	9,285
	=====	=====	=====	=====

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

13. Staff (continued)

b. Staff numbers

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

	Group 2023 No.	<i>Group 2022 No.</i>
Teachers	99	106
Administration and support	180	184
Management	15	14
	<u>294</u>	<u>304</u>

c. Higher paid staff

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

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	3	2
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	<u>1</u>	<u>-</u>

The above employees participated in both the Teachers' Pension Scheme and Local Government Pension Scheme. During the year ended 31 August 2023 pension contributions for these staff members amounted to £124k (2021 - 146k).

d. Key management personnel

The key management personnel of the Group comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Group was £261k (2022 - £485k).

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

14. Central services

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

- School Improvement Services
- Legal and HR Support
- Governance Structure and Strategies
- Administration Support
- Teaching and Learning
- Facility Management Services

The Group charges for these services on the following basis:

6.5% of GAG School budget share.

The actual amounts charged during the year were as follows:

	2023	2022
	£000	£000
Abbotsweld Primary Academy	86	84
Jerounds Primary Academy	104	97
Katherines Primary School	80	74
Latton Green Primary Academy	62	62
Longwood Primary Academy	118	108
Waltham Holy Cross Primary Academy	149	148
Total	599	573

15. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2023	2022
		£000	£000
J Coton, Chief Executive Officer	Remuneration	115 - 120	105 - 110
	Pension contributions paid	25 - 30	25 - 30

During the year ended 31 August 2023, expenses totalling £86 were reimbursed or paid directly to 1 Trustee (2022 - £392 to 2 Trustees). This was to cover travel.

NET ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Trustees' and Officers' insurance

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

17. Intangible assets

Group

	Goodwill £000
Cost	
At 1 September 2022	54
At 31 August 2023	<u>54</u>
Amortisation	
Charge for the year	5
At 31 August 2023	<u>5</u>
Net book value	
At 31 August 2023	<u><u>49</u></u>
<i>At 31 August 2022</i>	<u><u>54</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Tangible fixed assets

Group

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2022	18,174	17,090	466	444	36,174
Additions	-	98	282	81	461
Transfers between classes	(4)	-	4	-	-
At 31 August 2023	<u>18,170</u>	<u>17,188</u>	<u>752</u>	<u>525</u>	<u>36,635</u>
Depreciation					
At 1 September 2022	883	2,358	208	263	3,712
Charge for the year	322	453	110	111	996
At 31 August 2023	<u>1,205</u>	<u>2,811</u>	<u>318</u>	<u>374</u>	<u>4,708</u>
Net book value					
At 31 August 2023	<u><u>16,965</u></u>	<u><u>14,377</u></u>	<u><u>434</u></u>	<u><u>151</u></u>	<u><u>31,927</u></u>
At 31 August 2022	<u><u>17,291</u></u>	<u><u>14,732</u></u>	<u><u>258</u></u>	<u><u>181</u></u>	<u><u>32,462</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Tangible fixed assets (continued)

Group (continued)

Trust

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2022	18,174	17,090	456	444	36,164
Additions	-	98	260	81	439
Transfers between classes	(4)	-	4	-	-
At 31 August 2023	<u>18,170</u>	<u>17,188</u>	<u>720</u>	<u>525</u>	<u>36,603</u>
Depreciation					
At 1 September 2022	883	2,358	206	263	3,710
Charge for the year	322	453	108	111	994
At 31 August 2023	<u>1,205</u>	<u>2,811</u>	<u>314</u>	<u>374</u>	<u>4,704</u>
Net book value					
At 31 August 2023	<u>16,965</u>	<u>14,377</u>	<u>406</u>	<u>151</u>	<u>31,899</u>
At 31 August 2022	<u>17,291</u>	<u>14,732</u>	<u>250</u>	<u>181</u>	<u>32,454</u>

Leasehold Property

The Trust took out 125 year leases over the land and buildings at the date of conversion of each school. In determining valuations for the leasehold property, the Trustees have referred to the valuations arranged by the ESFA which were carried out on a desktop depreciated replacement cost basis. The freehold of these land and buildings is owned by the respective local Authorities. These are recognised in the accounts as the Trust has the right to use the property.

RAAC Consideration

We note that as at 31 August 2023, there was an issue with RAAC in Katherines Primary Academy. The DfE had confirmed its intention to fund all repairs.

The repairs are expected to take at an estimated cost of £780,000 and this will be fully funded by DfE. Given the certainty of the DfE payment for relevant repairs, no impairment was reflected in the fixed assets at 31 August 2023.

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19. Debtors

	Group 2023 £000	<i>Group 2022 £000</i>	Trust 2023 £000	<i>Trust 2022 £000</i>
Due within one year				
Trade debtors	2	10	2	10
Other debtors	156	133	243	264
Prepayments and accrued income	386	299	379	291
	<u>544</u>	<u>442</u>	<u>624</u>	<u>565</u>

20. Creditors: Amounts falling due within one year

	Group 2023 £000	<i>Group 2022 £000</i>	Trust 2023 £000	<i>Trust 2022 £000</i>
Other loans	13	13	13	13
Trade creditors	342	357	314	339
Other taxation and social security	313	298	313	298
Other creditors	6	96	1	65
Accruals and deferred income	679	512	643	475
	<u>1,353</u>	<u>1,276</u>	<u>1,284</u>	<u>1,190</u>
	Group 2023 £000	<i>Group 2022 £000</i>	Trust 2023 £000	<i>Trust 2022 £000</i>
Deferred income at 1 September 2022	260	197	260	197
Resources deferred during the year	347	260	347	238
Amounts released from previous periods	(260)	(197)	(260)	(197)
	<u>347</u>	<u>260</u>	<u>347</u>	<u>238</u>

Deferred income represents funding received for the following which relates to the 2023/24 financial year:

- Universal Free School Meals
- Nursery Free early Education grant

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

21. Creditors: Amounts falling due after more than one year

	Group	<i>Group</i>	Trust	<i>Trust</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Other loans	36	<i>47</i>	36	<i>47</i>

Abbotsweld Primary Academy

This Salix loan is being repaid bi-annually over 6 years from November 2019. No interest is being charged on the loan.

Longwood Primary Academy

This Salix loan is being repaid bi-annually over 7 years from March 2021. No interest is being charged on the loan.

Latton Green Primary Academy

This Salix loan is being repaid bi-annually over 6 years from March 2021. No interest is being charged on the loan.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
General funds	2,067	483	(8)	(367)	-	2,175
Little Lattons Nursery Limited	6	362	(371)	-	-	(3)
	<u>2,073</u>	<u>845</u>	<u>(379)</u>	<u>(367)</u>	<u>-</u>	<u>2,172</u>
Restricted general funds						
General Annual Grant (GAG)	842	9,211	(9,520)	-	-	533
Pupil Premium	-	826	(826)	-	-	-
Other DfE / ESFA revenue grants	-	972	(972)	-	-	-
Local Authority revenue grants	-	593	(593)	-	-	-
Other Government revenue grants	-	-	-	-	-	-
Teaching School	-	11	(44)	33	-	-
Exceptional Government funding	-	-	-	-	-	-
Pension reserve	(1,066)	-	(68)	-	931	(203)
	<u>(224)</u>	<u>11,613</u>	<u>(12,023)</u>	<u>33</u>	<u>931</u>	<u>330</u>

NET ACADEMIES TRUST
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FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds (continued)

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Restricted fixed asset funds						
NBV of fixed assets	32,454	-	(994)	439	-	31,899
DfE / ESFA capital grants	96	150	-	(116)	-	130
Salix loans	(60)	-	-	11	-	(49)
	<u>32,490</u>	<u>150</u>	<u>(994)</u>	<u>334</u>	<u>-</u>	<u>31,980</u>
Total Restricted funds	<u>32,266</u>	<u>11,763</u>	<u>(13,017)</u>	<u>367</u>	<u>931</u>	<u>32,310</u>
Total funds	<u><u>34,339</u></u>	<u><u>12,608</u></u>	<u><u>(13,396)</u></u>	<u><u>-</u></u>	<u><u>931</u></u>	<u><u>34,482</u></u>

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

The General Fund has been created to recognise the incoming and outgoing resources in respect of activities undertaken by the Academy Trust which fall outside the scope of its core activities. A transfer of £326k was made to the NBV of fixed assets fund to reflect capital additions bought using these funds.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy Trust via the Education and Skills Funding Agency by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy Trust.

The Pupil Premium fund has been established to recognise the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other DfE/ESFA revenue grants fund has been created to recognise the restricted funding received from the Department for Education/Education and Skills Funding Agency which fall outside the scope of core funding.

The Local Authority revenue grants fund has been set up to recognise the income received from the relevant local authorities as a contribution towards the cost of the Academy Trust's revenue expenditure.

The Other Government revenue grants fund has been established to recognise grants from Government bodies other than the DfE/ESFA and Local Authorities that fall outside the scope of core funding.

NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

The LGPS deficit (pension reserve) fund has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy Trust status, and through which all the pension scheme movements are recognised.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE/ESFA Capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Assets fund.

The Salix loan fund has been established to separate the Salix loan balance from the other funds. The transfer of £11k represent the payments made during the year against these loans.

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

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NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2022 £000</i>
Unrestricted funds						
General funds	1,638	429	-	-	-	2,067
Little Lattons Nursery Limited	-	65	(59)	-	-	6
	<u>1,638</u>	<u>494</u>	<u>(59)</u>	<u>-</u>	<u>-</u>	<u>2,073</u>
Restricted general funds						
General Annual Grant (GAG)	673	8,820	(8,367)	(284)	-	842
Pupil Premium	-	768	(768)	-	-	-
Other DfE / ESFA revenue grants	-	689	(689)	-	-	-
Local Authority revenue grants	-	591	(591)	-	-	-
Other Government revenue grants	-	79	(79)	-	-	-
Teaching School	-	98	(98)	-	-	-
Exceptional Government funding	45	-	(45)	-	-	-
Pension reserve	(5,844)	-	(774)	-	5,552	(1,066)
	<u>(5,126)</u>	<u>11,045</u>	<u>(11,411)</u>	<u>(284)</u>	<u>5,552</u>	<u>(224)</u>

NET ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

	<i>Balance at 1 September 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2022 £000</i>
Restricted fixed asset funds						
NBV of fixed assets	32,056	-	(895)	1,293	-	32,454
DfE / ESFA capital grants	1,070	48	-	(1,022)	-	96
Salix loans	(73)	-	-	13	-	(60)
	<u>33,053</u>	<u>48</u>	<u>(895)</u>	<u>284</u>	<u>-</u>	<u>32,490</u>
Total Restricted funds	<u>27,927</u>	<u>11,093</u>	<u>(12,306)</u>	<u>-</u>	<u>5,552</u>	<u>32,266</u>
Total funds	<u><u>29,565</u></u>	<u><u>11,587</u></u>	<u><u>(12,365)</u></u>	<u><u>-</u></u>	<u><u>5,552</u></u>	<u><u>34,339</u></u>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £000	2022 £000
Central Services - main funds	<u>2,705</u>	<u>2,915</u>
Restricted fixed asset fund	<u>31,980</u>	<u>32,490</u>
Pension reserve	<u>(203)</u>	<u>(1,066)</u>
Total	<u><u>34,482</u></u>	<u><u>34,339</u></u>

NET ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2023 £000
Abbotsweld Primary Academy	1,046	217	80	194	1,537
Jerounds Primary Academy	1,254	206	73	352	1,885
Katherines Primary School	994	181	81	1,041	2,297
Latton Green Primary School	730	182	66	228	1,206
Longwood Primary Academy	1,612	338	116	297	2,363
Waltham Holy Cross Primary Academy	1,843	418	134	370	2,765
Central Services - main funds	205	200	86	267	758
Trust	7,684	1,742	636	2,749	12,811

Costs not attributable totalled £364k

NET ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

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

	<i>Teaching and educational support staff costs £000</i>	<i>Other support staff costs £000</i>	<i>Educational supplies £000</i>	<i>Other costs excluding depreciation £000</i>	<i>Total 2022 £000</i>
Abbotsweld Primary Academy	982	193	53	192	1,420
Jerounds Primary Academy	1,109	204	101	242	1,656
Katherines Primary School	894	198	64	164	1,320
Latton Green Primary School	708	155	50	154	1,067
Longwood Primary Academy	1,411	300	62	215	1,988
Waltham Holy Cross Primary Academy	1,709	398	140	289	2,536
Central Services - main funds	145	879	169	231	1,424
Trust	<u>6,958</u>	<u>2,327</u>	<u>639</u>	<u>1,487</u>	<u>11,411</u>
Costs not attributable totalled £57k.					

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	28	-	31,899	31,927
Intangible fixed assets	49	-	-	49
Current assets	2,095	1,873	130	4,098
Creditors due within one year	-	(1,340)	(13)	(1,353)
Creditors due in more than one year	-	-	(36)	(36)
Defined benefit pension scheme liability	(181)	(22)	-	(203)
Difference	181	(181)	-	-
Total	2,172	330	31,980	34,482

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £000</i>	<i>Restricted funds 2022 £000</i>	<i>Restricted fixed asset funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Tangible fixed assets	8	-	32,454	32,462
Intangible fixed assets	54	-	-	54
Current assets	2,011	2,105	96	4,212
Creditors due within one year	-	(1,263)	(13)	(1,276)
Creditors due in more than one year	-	-	(47)	(47)
Defined benefit pension scheme liability	-	(1,066)	-	(1,066)
Total	2,073	(224)	32,490	34,339

NET ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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24. Reconciliation of net expenditure to net cash flow from operating activities

		2023	<i>2022</i>
		£000	<i>£000</i>
Net expenditure for the year (as per Statement of Financial Activities)		(788)	<i>(778)</i>
Adjustments for:			
Amortisation	17	5	<i>-</i>
Depreciation	18	996	<i>897</i>
Capital grants from DfE and other capital income	4	(150)	<i>(48)</i>
Investment income	7	(18)	<i>(1)</i>
Defined benefit pension scheme cost less contributions payable	29	38	<i>684</i>
Defined benefit pension scheme finance cost	29	30	<i>90</i>
Decrease/(increase) in debtors	19	(102)	<i>1,196</i>
Increase/(decrease) in creditors	20	77	<i>29</i>
Net cash generated from operating activities		88	<i>2,069</i>

25. Cash flows from financing activities

		Group	<i>Group</i>
		2023	<i>2022</i>
		£000	<i>£000</i>
Repayments of borrowing	21	(11)	<i>(13)</i>
Net cash (used in)/generated from financing activities		(11)	<i>(13)</i>

26. Cash flows from investing activities

		Group	<i>Group</i>
		2023	<i>2022</i>
		£000	<i>£000</i>
Investment income	7	18	<i>1</i>
Purchase of intangible assets	17	-	<i>(54)</i>
Purchase of tangible fixed assets	18	(461)	<i>(1,303)</i>
Capital grants from DfE Group	4	150	<i>48</i>
Net cash (used in)/generated from investing activities		(293)	<i>(1,308)</i>

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NOTES TO THE FINANCIAL STATEMENTS
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27. Analysis of cash and cash equivalents

	Group 2023 £000	<i>Group 2022 £000</i>
Cash in hand and at bank	3,554	3,770
Total cash and cash equivalents	3,554	<i>3,770</i>

28. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash at bank and in hand	3,770	(216)	3,554
Debt due within 1 year	(13)	-	(13)
Debt due after 1 year	(47)	11	(36)
	3,710	(205)	3,505

29. Pension commitments

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

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

Contributions amounting to £112K were payable to the schemes at 31 August 2023 (2022 - £116k) and are included within creditors.

Teachers' Pension Scheme

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £961k (2022 - £894k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £660k (2022 - £609k), of which employer's contributions totalled £543k (2022 - £492k) and employees' contributions totalled £128k (2022 - £117k). The agreed contribution rates for future years are 24.5 per cent for employers and 5.5 to 12.5 per cent for employees.

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

The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

NET ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. Pension commitments (continued)

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.9	3.95
Rate of increase for pensions in payment/inflation	2.9	2.95
Discount rate for scheme liabilities	5.3	4.25

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

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

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	(129)	(160)
Discount rate -0.1%	133	165
Mortality assumption - 1 year increase	169	186
Mortality assumption - 1 year decrease	(164)	(181)
CPI rate +0.1%	5	159
CPI rate -0.1%	(5)	(155)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2023 £000	At 31 August 2022 £000
Equities	3,744	3,228
Gilts	81	108
Other bonds	-	248
Property	494	530
Cash and other liquid assets	185	168
Alternative assets	998	839
Other managed funds	879	557
Total market value of assets	6,381	5,678

The actual return on scheme assets was £299k (2022 - £148k).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2023 £000	2022 £000
Current service cost	(565)	(1,207)
Past service cost	(16)	-
Interest income	247	87
Interest cost	(277)	(177)
Total amount recognised in the Consolidated Statement of Financial Activities	(611)	(1,297)

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NOTES TO THE FINANCIAL STATEMENTS
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29. Pension commitments (continued)

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

	2023	2022
	£000	£000
At 1 September	6,744	11,081
Current service cost	565	1,207
Interest cost	277	177
Employee contributions	128	117
Actuarial gains	(1,217)	(5,628)
Benefits paid	(110)	(152)
Past service costs	16	-
Effects of non-routine settlements	-	(58)
At 31 August	6,403	6,744

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

	2023	2022
	£000	£000
At 1 September	5,678	5,237
Interest income	247	87
Actuarial (losses)/gains	(105)	(76)
Employer contributions	543	492
Employee contributions	128	117
Benefits paid	(110)	(152)
Effects of non-routine settlements	-	(27)
Surplus not recognised	(181)	-
At 31 August	6,200	5,678

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Reconciliation of opening to closing defined benefit pension scheme liability

	2023	2022
	£000	£000
Balance brought forward at 1 September	1,066	5,844
Defined benefit pension scheme cost less contributions payable	38	684
Defined benefit pension scheme finance cost	30	90
Actuarial (Gains)/losses	(1,112)	(5,552)
Actuarial gains not recognised	181	-
	<u>203</u>	<u>1,066</u>

Amounts recognised in the balance sheet are as follows

	2023	2022
	£000	£000
Present value of the defined benefit obligation	(6,403)	(6,744)
Fair value of the scheme assets	6,381	5,678
Surplus/(deficit) in scheme	<u>(22)</u>	<u>(1,066)</u>
Surplus not recognised	(181)	-
Net asset/(liability)	<u>(203)</u>	<u>(1,066)</u>

The fair value of the pension plan assets at 31 August 2023 is in excess of the present value of the defined benefit obligation at that date. This gives rise to a surplus of £181,000.

The surplus is recognised in the financial statements only to the extent that the Trust can recover that surplus, either through a reduction in future contributions or through a refund to the Trust.

The Trust is not able to determine that future contributions will be reduced and it is not possible for the Trust to receive a refund, as the specific conditions for this have not been met. Therefore, an asset ceiling surplus of £181,000 is not recognised as an asset at 31 August 2023 as the Trust is not able to determine that future contributions will be reduced or that a refund of the surplus will be available for the foreseeable future.

30. Members' liability

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

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31. Related party transactions

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

Joanne Coton, a Trustee of the Trust, is also a member of Strive4 Academy Trust. During the year ended 31 August 2023 the Trust was invoiced £400 (2022 - £800) from Strive4 Academy Trust. The services are in accordance with the Trust's financial regulations and standard procurement procedures. There was no balance outstanding at 31 August 2023 in respect of these transactions (2022 - £NIL).

Joanne Coton was also a Trustee of BMAT Education (resigned 22 September 2022). During the year the Trust was invoiced £1,000 (2022 - £1,650) from BMAT Education. The services are in accordance with the Trust's financial regulations and standard procurement procedures. There was no balance outstanding at 31 August 2023 in respect of these transactions (2022 - £NIL).

32. Controlling party

There is no ultimate controlling party.

33. Teaching school trading account

	2023	2023	2022	2022
	£000	£000	£000	£000
Income				
Direct income				
Teaching school income	11		98	
Total income		11		98
Expenditure				
Direct expenditure				
	44		98	
Total expenditure		44		98
Transfers between funds excluding depreciation		33		-
Surplus from all sources		-		-
Teaching school balances at 1 September 2022		-		-
Teaching school balances at 31 August 2023		-		-