

Company registration number 08891864 (England and Wales)

PACE ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

PACE ACADEMY TRUST

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PACE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Helen Clift (Resigned 21 September 2022)
Edward Denley
David Garrard OBE
Cathy MacDonald (Resigned 05 October 2022)
Gary Pankhurst (Resigned 25 January 2022)
Roger Capham (Appointed 5 May 2022)

Trustees

Zoe Harris (Accounting Officer) (Appointed 1 September 2021)
Kevin Bright (Chair)
Roger Capham (Director) (Resigned 22 April 2022)
Michael Fuller (Director)
Linda Hall (Director)
Michael Howarth (Director)
Micon Metcalfe (Director)
Oladapo Obatusin (Director)
Dipa Patel (Director)
C Wingrave (Director) (Appointed 21 September 2022)

Senior leadership team

- Accounting Officer	Zoe Harris
- Executive Head Teacher	Claire Murphy
- Chief Financial Officer	Linda Weight
- Chief Operating Officer	Jo Grinter
- BPS Head Teacher	Phyllis Sternberg
- CVPS Head Teacher	Clare Rackham
- KPS Head Teacher	Helen Green
- NVPS Head Teacher	Pete Steward
- SPS Head of School	Francine David

Company registration number

08891864 (England and Wales)

Principal and registered office

Chipstead Valley Primary School
Chipstead Valley Road
Coulston
Surrey
CR5 3BW

Academies operated

Beecholme Primary School
Chipstead Valley Primary School
Keston Primary School
New Valley Primary School
Stanford Primary School

Location

Merton
Croydon
Croydon
Croydon
Merton

Head Teacher

Phyllis Sternberg
Clare Rackham
Helen Green
Pete Steward
Francine David

PACE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

PACE ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year 1 September 2021 to 31 August 2022. This report serves the purposes of both a trustees' report, and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The Academy Trust operates as a multi-academy trust for pupils aged 2-11 serving a catchment area on the South London/Surrey borders. It comprises five schools: Beecholme Primary School (Merton), Chipstead Valley Primary School (Croydon), Keston Primary School (Croydon), New Valley Primary School (Croydon) and Stanford Primary School (Merton). The Trust has a pupil capacity of 1,680 and had a roll of 1,509 in the school census on 6 October 2022. There is also nursery provision at four of the schools with a capacity across the Trust of 167 pupils. There are specialist provision units at two schools. An Enhanced Learning Provision for 14 pupils at Chipstead Valley Primary and an Additional Resource Provision for 24 pupils at Stanford Primary.

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 charitable company is known as PACE Academy Trust.

The trustees of PACE Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the Period 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 Academy Trust maintains trustees' and officers' liability insurance through DfE Risk Protection Arrangement (RPA) which gives appropriate cover for any legal action brought against its trustees. The Academy Trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the Academy Trust.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Method of recruitment and appointment or election of trustees

Directors are appointed for a four-year period following which they are eligible for re-appointment. The Chief Executive is “ex officio”. Directors are recruited so that the Board has the correct skills to fulfil its statutory duties.

The trustees may choose to add further directors if their skills and experience will improve the Trust board’s ability to carry out its statutory duties.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees depends on their previous experience of governance within a school or trust. They are provided with copies of minutes, policies, accounts and other documents they will need to undertake their role as trustees. Trustees have access to a range of support and development tools including access to the National Governance Association for training, webinars, e-learning programmes. A Trust organised training programme has been established for Trustees including refresher training for Safeguarding and new training opportunities in areas such as Key Performance Indicators and School Improvement Plans.

Organisational structure

The trustees are responsible for setting strategy and general policy, including setting of budgets, monitoring expenditure, setting staffing levels, making senior staff appointments and managing risk.

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The Executive Leadership Group, led by the Chief Executive, implements the agreed policies and reports back to the trustees. The group is responsible for authorisation of expenditure up to delegated limits and the appointment of staff, although trustees will participate in appointments to posts in the Executive Leadership Group. The Chief Executive is the Accounting Officer for the Academy Trust.

The trustees meet at least once each half term.

The Board delegates some responsibilities to a Finance and Audit Committee, which include reviewing the financial position of the Trust, monitoring the effectiveness of the Trust’s finance policy, reviewing the risk register on behalf of the Strategic Board and liaising with the auditors. This committee meets at least once in each half term.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting pay of Key Management Personnel are determined by the Strategic Board. As below:

- Chief Executive - performance management and determination of pay is carried out by a sub-committee of the Strategic Board.
- Executive Headteacher - performance management and remuneration is carried out by the Chief Executive, with pay recommendations made to the Pay and Remuneration Committee.
- Head Teacher/ Head of School - performance management and remuneration is carried out by the Chief Executive or Executive Headteacher, with pay recommendations made to the Pay and Remuneration Committee.
- Deputy/Assistant Headteacher - performance management and remuneration is carried out by Head Teacher/Head of School.
- The Chief Operating Officer and Chief Financial Officer - performance management and remuneration is carried out by the Chief Executive with pay recommendations made to the Pay and Remuneration Committee.

With the exception of the Chief Executive, trustees do not receive remuneration.

Trade union facility time

The Trust employed more than 49 full time employees during the financial year and therefore it must disclose trade union facility time in accordance with the requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017. The Trust recognise the valuable support and advice trade unions provide to teaching and non-teaching staff. Some employees at the Trust's schools are trade union members with union representatives appointed, who, where necessary, provide advice to union members during work hours. During the year 5 employees were union representatives and the total time spent fulfilling their role was not significant.

Engagement with employees

PACE Academy Trust continued to engage with its staff during the period of this report, recognising the importance of visibility and regular communication from trust leaders to all stakeholders.

PACE continued to engage and consult with staff across all of the schools around the arrangements for mitigating the risks around Covid 19. This involved regular meetings and communication with senior leaders to ensure a consistent trust-wide approach.

Each of our schools has its own Local Governing Body that supports the leadership of the school and whose responsibilities include the safeguarding, health, safety and wellbeing of staff and pupils in the school. Each Local Governing Body has two positions for staff governors, providing strong representation of the employee voice within the strategic leadership of the school.

Local briefings are routinely used in all our schools as a forum for providing information and consulting our employees about matters that affect them. A fortnightly briefing from the Chief Executive is sent to all staff, providing updates, sharing practice and celebrating achievements.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Other engagement activities include:

- Consultation on and then agreement and implementation of a revised Code of Conduct.
- Trained coaches within our trust provide coaching sessions to leaders within PACE as well as externally.
- A trust-wide INSET day that focused on the values and vision of PACE and reviewed the trust teaching and learning principles.
- Workshops were delivered to senior leaders, focusing on parental mental health and Safeguarding, finance and managing difficult conversations.
- The development of a five-year strategic plan aimed at improving organisational ICT as well as the use of ICT as a tool for teaching and learning.
- Communication with staff about cyber security, with training and strategies provided to enhance security for all.
- A working party was established to determine the trust's vision for environmental sustainability. This relates to one of the strategic priorities identified within the Trust Development Plan.
- A detailed programme of professional development, supporting high quality teaching and learning and learning and providing strong networking opportunities.

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

The Trust continued to use its digital presence during the period to engage with stakeholders, including both current and prospective parents. Each of the school's websites, along with the PACE website were reviewed and improvements made as a result. Social media has continued to be used to enhance the school-parent partnership and raise awareness in both the local and wider community. Our schools use regular newsletters to parents as one of a number of ways to provide information and celebrate achievements. Throughout the year there was greater opportunity to hold in person events for parents and children.

PACE has engaged with schools outside of the trust, providing coaching for leaders and other collaborative opportunities.

Due to the impact of Covid in the autumn and spring terms, the Trust continued to engage with some suppliers using exceptional contractual arrangements. These were agreed through dialogue and mutual agreement, for example the catering at one school.

Digital methods of communication have continued to be used as an effective way to interact with suppliers and service providers, including catering and HR.

Related parties and other connected charities and organisations

There were no related party transactions during the year.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

Mission, Vision and Values

The Trust's mission is to provide education and care of high quality in happy, inspiring and inclusive environments, in which all children and adults are valued and encouraged to succeed. Our vision is articulated within the Trust Development Plan, which identifies strategic goals for 2025 as well as shorter term objectives for the year ahead.

The values of the Trust are:

- Partnership
- Achievement
- Community
- Excellence

Each school devises its own vision statements with its various stakeholders. Over the past year, schools have refreshed these through 'Vision 2023' work.

Principal Activities

The principal activity of PACE Academy Trust is to advance education within the local area by supporting and further developing schools to ensure they offer a rich, broad and balanced curriculum that meet the needs of all pupils and accelerates their progress. The details of the key objectives and actions are outlined in the Trust Development Plan and individual School Improvement Plans.

Public Benefit

The trustees confirm that they have referred to the guidance provided by the Charity Commission in respect of public benefit when reviewing the Academy Trust's aims and objectives (as set out above) and in planning future activities and setting appropriate policies for future years.

Strategic Report - Achievements and Performance

Achievements

A new Chief Executive Officer and Accounting Officer was appointed to the Trust on 1st September 2021. With the support of the Executive Leadership Team, the transition has been successful. There has been a significant amount of progress being made in relation to the Trust Improvement Plan, pupil assessment tracking, monitoring reviews, learning walks and staff development, including a Trust Professional Development Programme.

Throughout the autumn and spring terms, there was some disruption caused by Covid-19. This resulted in higher levels of absence amongst staff and pupils that had a significant impact, particularly in the one form entry schools. For some of the year, it continued to be necessary to dedicate time to managing the risks around Covid.

The economic context with rising energy and other supplier costs has had some impact on the Trust although we were able to secure three energy contracts in October 2021 and two in April 2022. Costs around catering and supplies such as paper and other class-based materials have put pressure on school budgets.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The PACE Academy Trust Strategic Board identified six strategic goals which it wished to achieve in the 2021/2022 academic year.

1. To ensure the effective performance of the Chief Executive Officer (CEO)

The new CEO took an active and leading role immediately upon appointment and with great success. An interim performance review was held in November 2021 with objectives set for the 2021-22 school year. Support and counsel was given to the CEO through regular meetings with the Chair.

Fortnightly emails continue to be sent to all staff across the trust, celebrating success and to provide important reminders and information. Regular visits to each school take place by all members of the Trust Leadership Group and there have been a number of training events, which further support communication. Our INSET day in January provided an opportunity for all staff to communicate their views and contribute to the trust's vision.

The CEO has attended various workshops in order to strengthen her understanding of the CEO role. She seeks support and advice from colleagues/other leaders where needed.

Discussion around growth (and the planning for this) has taken place and the PACE website has been developed to support this. Aspects of the business that need development/updating have been identified, with a timeframe identified.

2. Improve the diversity and effectiveness of our Strategic Board and Local Governing Boards

Chairs and Vice Chairs from each PACE school meet with the Chair and Vice-Chair of the Strategic board on a termly basis. This has improved communication between Local Governing Boards and the Strategic Board and has provided governors with insight into some of the actions and decisions made at a Trust Level.

Link Directors have been established for each school to further support effective two-way communication between Local Governing Boards and the Board of Trustees.

In the Autumn term of 2021, skills and experience audits were conducted by the Chair of the Strategic Board for each Local Governing Board and of the Strategic Board. A summary of these audits was presented at the December 2021 AGM. The audits were used to shape the design of Trust-wide training that included training on safeguarding, data and Ofsted.

Local Governing Boards have worked hard to increase the level of representation from minority groups within their board. This has been achieved in a number of schools, enriching and improving discussion and debate.

The CEO has attended Local Governing Board meetings at each school, which have been useful in terms of communication, developing consistency and identifying strengths and areas for improvement around governance.

Across our Local Governing Boards there are a number of governors who hold two roles across the trust. Where this is the case, boards and leaders are working towards reducing this.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3. Develop and implement a plan to ensure the medium and long-term financial sustainability of the Trust's one form of entry schools

The finances of the one form entry schools were managed closely with results being in line with or better than budget. The Trust is continuing to review the financial efficiencies of the schools, with the potential increase in central services and continuing connections with Local Authorities in order to address the issue of reducing pupil numbers nationally and the greater London area.

Training events on management reports, budget setting and the finance policy were delivered to Heads by the Chief Financial Officer.

4. Explore opportunities for operational and educational partnerships with other local trusts and potential Trust expansion.

A number of partnership opportunities have been developed during the year with other schools and Trusts, including coaching services provided by the CEO to National Professional Qualification providers and headteachers in other settings. The PACE website now includes an area detailing the partnership opportunities that PACE can offer. Progress is continuing into 22/23. A PACE promotional video has been filmed.

Across the year, discussions about the growth of the Trust have taken place between executive leaders and this will continue to be a focus in the following years ahead.

5. Ensure every school across the trust is aspiring towards educational excellence for all children, particularly those with barriers to learning.

The pandemic has impacted significantly on outcomes for children, both academically and in terms of their mental health, well-being and social development. As we moved through the academic year, every school focused on accelerating progress for all children, particularly disadvantaged learners and those children who have other barriers to learning.

Schools have continued to focus on their school improvement priorities with reviews completed each term and presented to governors and directors. Pupil attainment and progress has been analysed each term by senior and executive leaders with actions identified to further improve outcomes for learners.

The Trust has a well-established monitoring cycle that involves executive and senior leaders across all of the schools. Each school has been visited on a regular basis with a range of activities completed. These have included book scrutiny, observations of teaching and learning and review and challenge events. Educational Excellence meetings involving Directors, Heads and the Chairs of Governors have been held in each school; there has been ongoing discussions with senior leaders about data and leaders have worked in partnership with the CEO and Executive Head to create and maintain a self-evaluation document for each school. This approach has enabled the CEO and Executive Head to gain a detailed picture of the strengths of each school and key strategic areas for improvement.

Across the year, a comprehensive programme of professional development has been provided to teachers and other staff. This has included subject network meetings, a middle leadership programme and networks for SEND and Safeguarding. Executive Leaders met regularly each month to focus on school improvement priorities including Writing, disadvantaged learners and equality.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6. Oversee a strategy for improving the environmental sustainability of our schools

Sustainability has been a focus for each school, approached in different ways depending on the focus of the individual school's objective for this area. A cross-trust working party met at the start of the summer term to discuss and agree a longer-term strategy to support educational sustainability; this has been identified as an ongoing strategic goal as we move into 2022-23.

Other Achievements and Indicators of Performance include:

- A successful pan-trust INSET day involving all our employees for the first time. The focus included a review of the PACE pillars, the sharing of good practice and a review of the Trust's teaching and learning principles.
- An Educational Excellence meeting at each school that provided Directors and Local Governing Boards with insight into the successes and next steps for each setting.
- Recognition from the Global Scholars Programme for the work the Trust has achieved in this important area of the curriculum.
- A successful external review of the Additional Resource Provision at Stanford Primary School.
- Development of Trust Level Priorities and a focus on preparing strategically for growth.
- Increased focus on Safeguarding at a strategic level.
- Successful backdated application for reimbursement of costs under the National Non-Domestic Rates Rebate scheme with backdated claims totalling £170k.
- Use of COVID recovery and tutor-led funding to support children impacted by the pandemic with a focus on wellbeing, learning and the curriculum (including outdoor learning as much as possible).
- Recovery of income generation to levels closer to those pre-pandemic.
- Income generation through the development of a coaching offer for professionals outside of the Trust.
- Completion of a major infrastructure upgrade at Stanford Primary School with the replacement of water and heating services supported by Condition Improvement Funding.
- Installation of a new fire alarm as part of a fire safety improvement project at New Valley Primary School, supported by Condition Improvement Funding.
- Commencement of a building fabric upgrade at Chipstead Valley Primary School with a project to permanently replace a fragile glass roof thereby creating two learning spaces, supported by Condition Improvement Funding.
- Comprehensive review of IT services and infrastructure which informed the creation of a strategy for developing ICT to support teaching, learning and school operations.
- Practical projects in our schools to make changes that contribute towards our sustainability plans.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Performance - data

End of Key Stage performance data for 2021-22 has not been published but is available for scrutiny by schools, trusts, local authorities and Ofsted. Ofsted inspectors will only use the 2021 - 2022 data to inform discussion with the schools about pupil outcomes. No judgements will be made on the basis of this data alone. This is an interim measure and data is likely to be published again for the 2022-2023 academic year.

Schools across PACE worked exceptionally hard to try and accelerate progress for all learners and to tackle the gaps created by the pandemic, which was still disrupting learning in the autumn term and start of the spring. The pandemic has had an impact on children across 2020, 2021 and 2022 and this is reflected in attainment outcomes nationally, which have fallen in all areas except reading.

For almost all of the schools, combined (reading, writing and maths) attainment at the end of Key Stage 2 was in line with or significantly above national outcomes.

For all schools, combined (reading, writing and maths) progress at the end of Key Stage 2 was in line or significantly above national outcomes.

Across KS1, we have seen the most variation in terms of outcomes compared to those nationally, especially in writing.

For almost all of the schools, phonics results at the end of Year 1 and Year 2 were in line with or above national data.

At the end of both Key Stage 1 and Key Stage 2, writing is the subject which has been impacted to the greatest extent by remote education during the pandemic. Schools within the Trust remain focussed on improving both attainment and progress in all school phases in this area.

Other Indicators of Performance

Beecholme Primary School

- Monitoring at the end of Summer 2022 indicated that almost all teaching is effective, with aspects of highly effective practice across the school.
- A Teaching and Learning Review (June 2022) conducted in partnership with the Local Authority highlighted the following:
 - Beecholme has a very positive, inclusive and welcoming ethos that shines through from the moment you walk into the school.
 - Teaching across the school is effective, with some highly effective practice observed.
 - Reading has a very high profile across the school; it has a vibrancy about it and is promoted at every opportunity.
- There were no suspensions and no reported incidences of bullying or racism

Chipstead Valley Primary School

- Monitoring at the end of Summer 2022 indicated that almost all teaching is effective, with aspects of highly effective practice across the school.
 - A Celebrate, Review and Challenge event conducted by Trust leaders (Nov 2021) highlighted the following:
 - The quality of teaching and learning was at least good, with some examples of exemplary practice.
 - Relationships between adults and children are positive and there were many examples of children being praised and encouraged.
 - There are many examples of work which show how pupils have been taught about equality and diversity and encouraged to celebrate difference.
 - The number of suspensions and reported incidences of bullying or racism were very low.
-

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Keston Primary School

- Monitoring at the end of Summer 2022 indicated that almost all teaching is effective, with aspects of highly effective practice across the school.
- A Celebrate, Review and Challenge event conducted by Trust leaders (March 2022) highlighted the following:
 - Collaborative activities provided children with rich opportunities to discuss and test out ideas. In these lessons, children were animated and completely engaged on the task at hand.
 - The children speak very highly of the school, are keen to share these positive experiences
 - The wellbeing curriculum is embedded across the school, with some good examples of teaching within this area of learning.
 - Teaching experiences in Science, Art and Geography reflect the intent for these subjects and link to the wider curriculum overview.
- There were no suspensions and reported incidences of bullying or racism were very low.

New Valley Primary School

- Monitoring at the end of Summer 2022 indicated that almost all teaching is effective, with aspects of highly effective practice across the school.
- A Celebrate, Review and Challenge event conducted by Trust leaders (May 2022) highlighted the following:
 - There has been a positive focus on the wider school curriculum with clear plans for development in place reflecting the vision of the subject leaders.
 - The children are confident, willing to engage in discussion and share their ideas, reflecting the positive work that the school does to ensure their wellbeing. They describe the school as 'happy, beautiful and green' (zones of regulation).
 - Children say they feel safe and can 'go to anybody for help'.
- There were no suspensions and no reported incidences of bullying or racism.

Stanford Primary School

- Monitoring at the end of Summer 2022 indicated that almost all teaching is effective, with aspects of highly effective practice across the school.
- A Teaching and Learning Review conducted by Trust leaders (May 2022) highlighted the following:
 - Observations throughout the day reflected positive relationships between adults and children. Both within and outside the classroom children are very willing to engage in discussion with adults and express their opinions.
 - Observed early years provision was highly effective.
 - Behaviour management and learning behaviour appears strong across the school.
- A review of the school's Specialist Provision (conducted by Trust and Local Authority Leaders) highlighted:

'the quality of education across the ARP is strong. Despite opening fairly recently and during the period of the pandemic, leaders and staff have built a successful model that is meeting the needs of pupils very well'.
- There were a number of exclusions and reported incidences of bullying or racism were very low.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Key performance indicators

The main performance indicators are as follows:

Beecholme Primary School

Indicator	Success Criteria	Outcome	Comment
Financial Stability	Expenditure does not exceed income	Met	A deficit was forecast but a surplus achieved
Level of Reserves	Reserves between 2% and 8% GAG and not exceeding 12%	Met (6.76%)	
Pupil Numbers	>90% capacity	Not Met (79.05%, October 2022)	
Attainment Data	At least in line with similar schools	Not published	
Ofsted outcome	Current judgment good or better	Met (Good - July 2019)	

Chipstead Valley Primary School

Indicator	Success Criteria	Outcome	Comment
Financial Stability	Expenditure does not exceed income	Met	
Level of Reserves	Reserves between 2% and 8% GAG and not exceeding 12%	Met (9.34%)	
Pupil Numbers	>90% capacity	Met (98.29%, October 2022)	
Attainment Data	At least in line with similar schools	Not published	
Ofsted outcome	Current judgment good or better	Met (Outstanding)	

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Keston Primary School

Indicator	Success Criteria	Outcome	Comment
Financial stability	Expenditure does not exceed income	Met	
Level of Reserves	Reserves between 2% and 8% GAG and not exceeding 12%	Met (8.14%)	
Pupil Numbers	>90% capacity	Met (99.05%), October 2022	
Attainment Data	At least in line with similar schools	Not published	
Ofsted outcome	Current judgment good or better	No current judgement	

New Valley Primary School

Indicator	Success Criteria	Outcome	Comment
Financial stability	Expenditure does not exceed income	Not met	Results £15k better than budget. Deficit supported by brought forward reserves.
Level of Reserves	Reserves between 2% and 8% GAG and not exceeding 12%	Met (5.51%)	
Pupil Numbers	>90% capacity	Not met (79.05% October 2022)	
Attainment Data	At least in line with similar schools	Not published	
Ofsted outcome	Current judgment good or better	Met (Good)	

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Stanford Primary School

Indicator	Success Criteria	Outcome	Comment
General financial stability	Expenditure does not exceed income	Not met	Results materially in line with budget. Deficit supported by brought forward reserves.
Level of Reserves	Reserves between 2% and 8% GAG and not exceeding 12%	Not met (16.95%)	Reserves to be used to support 22/23.
Pupil Numbers	>90% capacity	Not met (70% October 2022)	
Attainment Data	At least in line with similar schools	Not published	
Ofsted outcome	Current judgment good or better	No current judgment	

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Protecting the success of the academy trust

PACE Academy Trust is a small Multi-Academy Trust that seeks to provide education and care of high quality in happy, inspiring and inclusive environments in which all children and adults are valued and encouraged to succeed. There are active governing boards in each school. These provide scrutiny and challenge to the senior leadership team and provide a broader representation of our communities and stakeholders.

The Directors of PACE act in accordance with their duties as Trustees of a Multi-Academy Trust and act both collectively and individually in the interests of the Trust for the benefit of its stakeholders.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

Most of the Academy Trust's income is derived from the Education and Skills Funding Agency (ESFA), an agent of the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2022 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust has suffered some loss of income across a number of income-generating areas, although this has recovered towards the end of the financial year. These income generating areas are integral to our financial health. Parental income from paid school meals and income from a range of lets are still reduced compared to pre-pandemic levels mostly due to the impact of the pandemic. Income from in-school wraparound care provision was reduced for the earlier part of the year although it started to recover in most schools during the summer term.

Income has been generated through coaching offered by leaders to schools outside of the Trust and an additional KPI introduced to monitor income generation across each of the six entities.

During 2021/22, the Trust discontinued its responsibilities as a teaching school but has continued a training programme for non-salaried School Direct trainees.

At the year end, central reserves are in surplus due to the transfer of funds from schools to central reserves following the backdated claim for National Non-Domestic Rates Rebate.

During the year ended 31 August 2022, total restricted educational expenditure was £11,534,855 (excluding restricted fixed asset funds). Overall, total incoming resources for the year came to £11,343,476 (excluding restricted fixed asset funds). Of this, recurrent grant funding from the ESFA, DfE and Local Authority totalled £10,437,627. The result of income less expenditure for the year (excluding restricted fixed asset funds, inherited funds and actuarial gains) was a deficit of (£756,781).

At 31 August 2022 the net book value of fixed assets was £45,517,539 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Land, buildings and other assets were transferred to the Academy Trust upon conversion and upon schools joining the Trust. Land and buildings across the Trust were externally revalued by professional valuation experts as at 31 August 2017 for three schools and at 1st October 2018 for the two schools joining on that date. The revalued amounts are reflected in the financial statements. Additions to assets are capitalised at cost and depreciated over their useful life.

The Academy Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated with in the Statement of Financial Activity with details in note 21 to the financial statements.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Strategic Board recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 21 to the financial statements, represents a significant potential liability. However, as the Directors consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Reserves policy

Currently the Trust's reserves (excluding fixed asset funds and the defined benefit pension scheme liability) are 7.7% of annual income and therefore in line with the target stated. The Trust's total reserves stand at £44,680,490. The Trust currently holds free reserves, consisting of restricted general funds plus unrestricted funds, of £870,001. The fixed asset reserves at the year-end stand at £45,574,489.

The Trust has a prudent approach in relation to maintaining an appropriate level of reserves to ensure its long-term financial sustainability.

Investment policy

Currently the Trust does hold not any long term interest-bearing accounts. £500,000 was deposited into a 32 day GBP notice account in November 2022 which will remain deposited until funds may be necessary for operations.

Risk Management

The Directors hold responsibility for the management of risks for the Trust. In line with the Corporate Governance guidance contained within the Charities Statement of Recommended Practice (SORP) FRS102, they have considered the major risks to which the company is exposed and regularly review the financial and compliance controls necessary to mitigate these risks.

As the majority of the Trust's funding is derived from the ESFA, via the Department of Education, the Strategic Board considers this element of funding to be reasonably secure.

The most significant risk relating to Trust income is the number of surplus school places across London. The Strategic Board considers this to be a minimal risk at Chipstead Valley and Keston Primary Schools due to the on-going popularity, reputation and locations of the schools. The impact of falling numbers across Croydon and Merton is considered a risk for the Trust, due to local demographic changes. Mitigating this risk is a key priority for our Trust.

The final outcome of the National Funding Formula is yet to be finalised.

The operational and financial risk posed by cyber threats continues to be high, reflecting advice from the government on the rising threat of cyber-attacks on educational institutions. Mitigations have included mandatory training for every member of staff and the regular raising of awareness through bulletins and the CEO email to all staff.

Risk Control and Framework

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

- Trust Finance Policy;
- Delegation of authority and segregation of duties in each school;
- Identification and management of other risks through the use of risk registers; and
- Internal Audit arrangements.

The Trust has a strategic risk register and a Financial and Audit risk register in place which identifies those risks being managed at Trust level.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The main risks that PACE is exposed to are identified as: operational, reputational and financial.

Operational and Reputational: This covers risks to the running of the academy Trust (including the capacity of staff and facilities to meet the needs of pupils), the quality of education, which it provides, failure of information security and unforeseen large-scale catastrophic events.

Financial: This covers risks to the Trust's financial position, including revenue (especially relating to reductions in pupil numbers), cost control, management of cash and prevention of fraud. Internal audits are carried out by an external organisation.

The Trust Finance Policy is reviewed and updated annually.

The Chief Executive and Head of each school are responsible for the authorisation of spending within agreed budgets. Above a certain level, the Strategic Board are required to approve expenditure as outlined in the Trust's Scheme of Delegation. Some spending control is devolved to Budget Holders, which must be authorised in line with the Scheme of Delegation. The Chief Executive and Executive Head are responsible for the appointment of staff and a Director presence is required for senior appointments.

The Chief Executive is the Accounting Officer.

The Strategic Board appointed TSO Education Limited to carry out the role of Internal Auditor to undertake a programme of internal checks on financial controls for the 2021/22 financial year. The Strategic Board received termly reports of recommendations from them.

Fundraising

Fundraising for the Trust takes the following forms:

- Fundraising on behalf of the school through Parent Teacher Associations;
- Donations from parents;
- Students and staff engaging in fundraising for external charities.

The Trust aims to meet the Fundraising Code of Practice, which is that any fundraising will be legal, open, honest and respectful. The Trust will ensure protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate and ensure that all funds raised for a particular cause must be used for that particular cause. The Trust has not received any fundraising complaints.

Parent Teacher Association activities have increased towards the end of this academic year due to the lifting of COVID restrictions.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Streamlined energy and carbon reporting

Emissions data in respect of the 2021-22 reporting period, based on Operational Control is as follows:

Emission Type	kWh			CO ₂ e tonnes (Location Based)		
	Previous Year (2020-21)	Current Year (2021-22)	Var. %	Previous Year (2020-21)	Current Year (2021-22)	Var. %
Scope 1: Operation of Facilities	N/A	N/A	N/A	N/A	N/A	N/A
Scope 1: Combustion	1,683,560	1,765,287	+4.9%	309.56	323.33	+4.4%
TOTAL Scope 1	1,683,560	1,765,287	+4.9%	309.56	323.33	+4.4%
Scope 2: Purchased Energy	662,629	514,005	-22.4%	154.49	109.14	-29.4%
TOTAL Scope 2	662,629	514,005	-22.4%	154.49	109.14	-29.4%
Scope 3: Indirect Energy use	1,539	1,366	-11.3%	0.37	0.32	-12.3%
TOTAL Scope 3	1,539	1,366	-11.3%	0.37	0.32	-12.3%
Total	2,347,728	2,280,658	-2.9%	464.41	432.79	-6.8%

Intensity measurement

Total Footprint (Scope 1, Scope 2 and Scope 3) - CO₂e tonnes

	Previous Year (2020-21)	Current Year (2021-22)	Year on Year Variance
Turnover (£)	£10,589,421	£11,343,000	+7.1%
Intensity Ratio (tCO ₂ e/£100,000)	4.39	3.82	-13.1%
Number of Employees	287	287	0.0%
Intensity Ratio (tCO ₂ e/employee)	1.62	1.51	-6.9%

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Measures taken to improve energy efficiency

Emission Type	CO ₂ e tonnes (Dual Reporting Methodology)		
	Location Based	Market Based (Supplier Specific)	Var. %
Scope 1: Operation of Facilities	N/A	N/A	N/A
Scope 1: Combustion	323.33	323.33	+0.0%
TOTAL Scope 1	323.33	323.33	+0.0%
Scope 2: Purchased Energy	109.14	54.47	-50.1%
TOTAL Scope 2	109.14	54.47	-50.1%
Scope 3: Indirect Energy use	0.32	0.32	+0.0%
TOTAL Scope 3	0.32	0.32	+0.0%
Total	432.79	378.12	-12.6%

NOTES

- Our methodology has been based on the principals of the Greenhouse Gas Protocol, taking account of the 2015 amendment which sets out a 'dual reporting' methodology for the reporting of Scope 2 emissions. In the 'Total Footprint' summary above, purchased electricity is reported on a location based method.
- We have reported on all the measured emissions sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 except where stated.
- The period of our report is 01/09/21 – 31/08/22.
- This includes limited emissions under Scope 1 and 2 (gas & fuel used in transport; purchased electricity), except where stated, and limited emissions under Scope 3 (fuel used in personal/hire cars for business purposes).
- Energy use and emissions figures relate to our UK operation (including offshore energy and emissions) only, except where stated.
- Conversion factors for UK electricity (location-based methodology), gas and other emissions are those published by the Department for Environment, Food and Rural Affairs for 2021-22.
- Conversion factors for UK electricity (market-based methodology) are published at electricityinfo.org/ provided by the relevant supplier.
- Some electricity and gas has been pro-rated to cover small periods in the April due to data not being available.
- PV arrays are in place but data was unavailable, so kWh usage associated has not been included.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

STATEMENT OF EXCLUSIONS

- No known exclusions

ENERGY EFFICIENCY ACTION

During the year the Trust:

- Agreed our overarching vision for our environmental sustainability plans alongside continuing with our projects to support this objective. Our strapline 'Small changes, big impact' underpins our approach. Practical initiatives are underway in all schools including the introduction of food waste recycling system in our largest school.
- Completed a major infrastructure upgrade at Stanford Primary School with the replacement of water and heating services. This included the replacement of gas boilers, the installation of smart controls in all classrooms and a full water services modernisation project with associated improvements in water management.
- Commenced a building fabric upgrade at Chipstead Valley Primary School with a project to permanently replace a fragile glass roof which will reduce energy loss in that section of the school and create new learning spaces.
- Outside sensors and timers installed at Chipstead Valley Primary School to minimise waste of energy and lights replaced with LED lights in one classroom at Keston Primary School.
- Pricing was sought for renewable energy on renewing gas and electricity contracts for Croydon schools. The schools were not able to afford pricing of 100% green energy. All electricity contracts are now on a 'Rego' (guarantee green sources but not actual location) basis using as much green energy as possible.

Solar panels are in place at three of our schools generating approximately 20% of the energy consumed in our two smallest schools. We are looking for opportunities to increase the energy we generate ourselves.

APPENDIX A: CARBON FACTORS

Location Based Factors

Type	Factor (tCO ₂ e per unit)	Unit
Electricity (per kWh) - United Kingdom (21-22)	0.00021233	kWh
Gas (Natural gas - from grid) (21-22)	0.00018316	kWh
Car - Petrol or Diesel - Average (miles travelled) (21-22)	0.00027108	Miles

Market Based Factors

Supplier	Factor (tCO ₂ e per unit)	Unit
Smartest Energy	0.000298	kWh
Scottish Power	0	kWh
SSE Energy Solutions	0.000199	kWh
Brook Green Supply	0	kWh

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

The PACE Academy Trust Strategic Board has identified six strategic goals which it wishes to achieve by 2025:

- A. To have further improved the educational experience for all children across PACE, with many examples of curriculum innovation and highly effective teaching and learning, resulting in excellent achievement for all groups of learners.
- B. To demonstrate exemplary practice around equality, diversity and inclusion
- C. To have retained financial stability within an economically challenging climate.
- D. To be a thriving trust of a size that enables strong infrastructure, which underpins excellent educational opportunities for children
- E. For there to be a high-quality professional development offer in place for all staff, directors and governors
- F. For our staff and children to be knowledgeable about, and committed to, environmental sustainability

For 2022-23 our specific priorities are:

1. For each school to build on their 2022 outcomes, focusing on identified areas of the curriculum in order to secure improvement for all children, particularly those with barriers to learning (linked to Strategic Goal A and supports B, E, F)
2. To lead our trust in the next stage of its work on appreciating difference and tackling discrimination (linked to Strategic Goal B and supports A, E)
3. To work with schools to develop and implement actions that support long-term financial sustainability (linked to Strategic Goal C)
4. To plan, prepare and explore opportunities for growth (linked to Strategic Goal D and supports C, E)
5. To increase access to high quality professional development and training for all staff, governors and directors, extending opportunities to external partners where relevant (linked to Strategic Goal E and supports B, D)
6. To embed our PACE vision for environmental sustainability - 'Small Changes, Big Impact' (linked to Strategic Goal F and supports C)

Policies towards Employees and Disabled Persons

In PACE Academy Trust we respect, appreciate and value all our staff, children, and communities. We are tackling barriers that could lead to unequal outcomes. Every child and every adult in our community is equally important to us.

Each school has a comprehensive and live accessibility plan to consider and improve how our facilities and services can be as accessible as possible for all pupils, staff and visitors.

We have recently adjusted our Complaints Policy to include our commitment to making reasonable adjustments to ensure the process is open to all.

PACE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

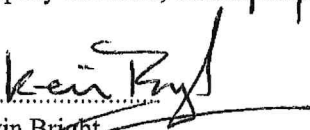
Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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.

UHY Hacker Young was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8/12/22 and signed on its behalf by:


.....
Kevin Bright
Chair

PACE ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 PACE Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met on seven occasions during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Zoe Harris (Accounting Officer) (Appointed 1 September 2021)	7	7
Kevin Bright (Chair)	7	7
Roger Capham (Director) (Resigned 22 April 2022)	4	4
Michael Fuller (Director)	6	7
Linda Hall (Director)	7	7
Michael Howarth (Director)	5	7
Micon Metcalfe (Director)	5	7
Oladapo Obatusin (Director)	6	7
Dipa Patel (Director)	7	7
C Wingrave (Director) (Appointed 21 September 2022)	0	0

The Board of Trustees was fully engaged in strategic decision making and governance throughout the the final stages of the pandemic in 2021/22. The Board challenged thinking and decision making as necessary, supporting decisions that had to be made, including the scrutiny and approval of risk assessments. Comprehensive data was provided by the leadership team in relation to educational, financial and operational aspects of the Trust.

Conflicts of interest

We have in place robust arrangements to declare and manage any conflicts or potential conflicts of interest. All Directors, Members and Governors are required to review and update their interests annually and all meetings will open with a Chair's check on whether any interests need to be declared for the business of the specific meeting. Senior staff and all staff involved in the financial management of our schools are also required to declare, review and update their interests annually.

PACE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Governance reviews

The Chair of the Board completes an annual review of its composition and capability and this is replicated by the Chairs of the Local Governing Boards. There is an objective to increase the diversity of the Board of Trustees and to increase the number of Directors from 8 to 10. This is an ongoing action. One Director resigned during the year and one was appointed in September 2022. Succession planning for the Board is also in progress.

Termly forums for the chairs and vice chairs of the Trust's local governing bodies were held; led by the Chair of the Strategic Board. The purpose of this forum is to share information, best practice and to increase collaboration between the schools within the Trust.

Finance and Audit Committee

The Finance and Audit committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Act as the Audit and Risk Committee of the Trust;
- Ensure effective financial management of the Trust;
- Ensure compliance with all relevant regulations and legislation, especially the Academies Financial Handbook;
- Ensure that the Trust is making its best efforts to obtain value for money;
- Direct the Trust's programme of internal scrutiny;
- Ensure that risks are being addressed appropriately through internal scrutiny; and
- Report to the Board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks.

Finance Responsibilities

- To regularly monitor and review the Trust's financial statements and to agree the format and content of these, consistent with the requirements of the Academies Financial Handbook. To set and review key performance indicators (KPIs) for all schools in the Trust and for the Trust as a whole.
- To review budget and cash flow forecasts, including multi-year forecasts for the Trust prior to presentation to the Strategic Board for approval.
- To recommend the annual spending target to be set for the budget of each school in the Trust to the Strategic Board for approval.
- To approve the annual budget for schools within the Trust where the governing body does not have delegated authority for financial management.
- To review the Trust's audited statutory accounts prior to presentation to the Strategic Board for approval.
- To consider plans with significant financial implications prior to presentation to the Strategic Board for approval.
- To monitor the Trust's exposure to pensions costs.

Audit Responsibilities

- To review risks to the Trust's internal financial controls.
- To monitor the effectiveness of the Trust's finance policy and agree any changes required to this on behalf of the Board.
- To agree the annual programme of internal audit work taking into consideration the highest areas of priority identified by the Trust's risk register.
- To review internal audit reports prior to presentation of these to the Strategic Board.
- To ensure due compliance by the Trust with the requirements of public accountability.
- To recommend the appointment of the Trust's external auditors and their remuneration to the Strategic Board.
- To receive and discuss reports from the external and internal auditors.
- To ensure that appropriate action is taken to implement agreed recommendations from internal and external auditors.

PACE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Risk Management Responsibilities

- To recommend to the Board any new and emerging risks both financial and non-financial which the Board ought to consider as part of the Board's review of the Strategic Risk Register.
- To review, at each meeting, actions being taken to address and mitigate risks identified in the Trust's Risk Register.

The Finance and Audit committee has formally met 6 times during the year. Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of possible
Zoe Harris (Accounting Officer) (Appointed 1 September 2021)	6	6
Kevin Bright (Chair)	5	6
Michael Fuller (Director)	6	6
Linda Hall (Director)	6	6
Michael Howarth (Director)	4	6

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved including the use of benchmarking data where available. The Accounting Officer worked with the Chief Financial Officer and the leadership team to deliver improved value for money during this year, for example:

- internal resource used to cover the maternity leave for a School Business Manager;
- ensuring that contracting is done, where possible, across all 5 schools: during this period pan-trust contracts were agreed for LGFL mail, photocopying contracts at two schools, education welfare services and a number of other service level agreements;
- Fixed term energy contracts were secured for the three Croydon schools in October 2021 and for the two Merton schools in April 2022;
- Cleaning contracts at the two Merton schools were reviewed and costs reduced from September 2022.

The Chief Operating Officer was the strategic lead on projects that secured Condition Improvement Funding grants for building and site improvements. Grants were been awarded for fire safety improvements including fire alarm upgrades and the replacement of a fragile roof. The significant project for a new heating and water system awarded in 2020/21 was mostly completed by the end of the financial year.

The Trust was in the third year of its funding agreement with the Merton Local Authority regarding funding support for its Additional Resource Provision.

The Trust actively promotes the hire of its premises and grounds to the local community including hall hire to various clubs, swimming pool hire to other primary schools and organisations. Monies generated from this are used to maintain the facilities and enhance learning experiences for the pupils. In the summer of 2022 a summer camp organisation hired the premises of one of the school sites, providing childcare to local children, including those from disadvantaged backgrounds.

PACE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in PACE Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statement.

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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy 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 and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

During the year, our internal risk management reporting has been improved with the aim of prioritising action planning on the most significant risks. The internal risk register is reviewed in detail six times a year by the Finance & Audit Committee and twice a year by the Board of Trustees (one of which meetings is also attended by the Members).

The Board of Trustees has considered the need for a specific internal audit function and decided to appoint TSO Education Limited as internal auditor.

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

- Review of cyber security; and
- Testing financial controls at our largest school in the Trust.

A third internal audit on the review of safeguarding systems was delayed to Autumn 2022 due to unforeseeable circumstances beyond the control of the Trust.

PACE ACADEMY TRUST

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The internal auditor reports to the Board of Trustees three times a year on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees and prepares an annual summary to the Board outlining the areas reviewed, key findings, recommendations and conclusions to help the Board consider actions and assess year on year progress. Due to the above, the internal auditor reported to the Board twice in 2021/22.

The internal auditor delivered their schedule of work and 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 financial management and governance self-assessment process; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of the reviews of the system of internal control.

Approved by order of the Board of Trustees on 21/12/22 and signed on its behalf by:


Zoe Harris
Accounting Officer

Kevin Bright
Chair


PACE ACADEMY TRUST

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2022**

As Accounting Officer of PACE Academy Trust, I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust's Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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.



Zoe Harris
Accounting Officer

8/12/22

PACE ACADEMY TRUST

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

The trustees (who are also the directors of PACE Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 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 accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

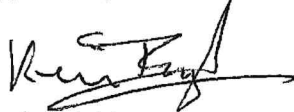
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by the Board of Trustees on 8/12/22 and signed on its behalf by:



Kevin Bright
Chair

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACE ACADEMY TRUST
FOR THE YEAR ENDED 31 AUGUST 2022**

Opinion

We have audited the financial statements of PACE Academy Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

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 academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACE ACADEMY TRUST
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

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 financial statements. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACE ACADEMY TRUST
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy 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 academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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.

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

Based on our understanding of the academy trust and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the academy trust, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated income and the academy trust's net income for the year.

Audit procedures performed included:

- reviewing the financial statement disclosures to underlying supporting documentation;
- enquiry of trust staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- review of correspondence with and reports to the regulators, including correspondence with the ESFA;
- enquiries of management, those charged with governance and the academy trust's legal advisors and the review of relevant correspondence around actual and potential litigation and claims;
- reviewing minutes of meetings with those charged with governance;
- review of internal audit reports during the year and discussion and consideration of any significant matters raised; and
- assessing the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACE ACADEMY TRUST
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

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



Colin Wright (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

9/12/2022

Chartered Accountants
Statutory Auditor

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO PACE ACADEMY TRUST AND THE EDUCATION AND SKILLS
FUNDING AGENCY**

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 6 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by PACE Academy Trust during the period 1 September 2021 to 31 August 2022 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 PACE Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the PACE Academy 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 PACE Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of PACE Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of PACE Academy Trust's funding agreement with the Secretary of State for Education dated 28 March 2014 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO PACE ACADEMY TRUST AND THE EDUCATION AND SKILLS
FUNDING AGENCY (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The work undertaken to draw to our conclusion includes:

- evaluation of the general control environment;
- confirmation that the internal delegations have been approved by the trustees, and conform to the limits set by the Department for Education;
- review of the declaration of interests to ensure completeness;
- review of minutes for evidence of declaration of interest;
- consideration of whether prior approval has been sought from the Secretary of State for transactions where approval is required;
- consideration of whether special payments and certain transactions have been made in line with ESFA requirements;
- consideration of whether any related party transactions have been made in accordance with the ESFA's limits and requirements;
- consideration of whether the Academies Trust Handbook's governance requirements have been met;
- a sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities and its funding agreement;
- a sample of cash payments were reviewed for unusual transactions;
- a sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement;
- enquiry and testing of procurement with regard to limits and required tendering policies and procedures;
- consideration of whether specialist grant income has been spent on the purposes intended; and
- formal representations have been obtained from the trustees and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

Reporting Accountant

Dated: 9/12/2022

PACE ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and capital grants	3	67,923	-	969,678	1,037,601	163,265
Charitable activities:						
- Funding for educational operations	4	-	10,437,627	-	10,437,627	10,082,764
Other trading activities	5	677,406	160,362	-	837,768	495,902
Investments	6	158	-	-	158	131
Total		745,487	10,597,989	969,678	12,313,154	10,742,062
Expenditure on:						
Raising funds	7	3,384	4,514	-	7,898	7,543
Charitable activities:						
- Educational operations	9	557,504	11,534,855	2,043,566	14,135,925	13,257,425
Total	7	560,888	11,539,369	2,043,566	14,143,823	13,264,968
Net income/(expenditure)		184,599	(941,380)	(1,073,888)	(1,830,669)	(2,522,906)
Transfers between funds	19	(33,472)	(57,923)	91,395	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	6,970,000	-	6,970,000	(1,208,000)
Net movement in funds		151,127	5,970,697	(982,493)	5,139,331	(3,730,906)
Reconciliation of funds						
Total funds brought forward		116,968	(7,132,791)	46,556,982	39,541,159	43,272,065
Total funds carried forward		268,095	(1,162,094)	45,574,489	44,680,490	39,541,159

PACE ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2021	Notes	funds	General	Fixed asset	2021
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	10,624	-	152,641	163,265
Charitable activities:					
- Funding for educational operations	4	-	10,082,764	-	10,082,764
Other trading activities	5	407,294	88,608	-	495,902
Investments	6	131	-	-	131
Total		<u>418,049</u>	<u>10,171,372</u>	<u>152,641</u>	<u>10,742,062</u>
Expenditure on:					
Raising funds	7	-	7,543	-	7,543
Charitable activities:					
- Educational operations	9	405,165	10,830,009	2,022,251	13,257,425
Total	7	<u>405,165</u>	<u>10,837,552</u>	<u>2,022,251</u>	<u>13,264,968</u>
Net income/(expenditure)		12,884	(666,180)	(1,869,610)	(2,522,906)
Transfers between funds	19	(9,604)	(45,548)	55,152	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	21	-	(1,208,000)	-	(1,208,000)
Net movement in funds		3,280	(1,919,728)	(1,814,458)	(3,730,906)
Reconciliation of funds					
Total funds brought forward		<u>113,688</u>	<u>(5,213,063)</u>	<u>48,371,440</u>	<u>43,272,065</u>
Total funds carried forward		<u>116,968</u>	<u>(7,132,791)</u>	<u>46,556,982</u>	<u>39,541,159</u>

PACE ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

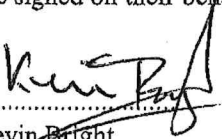
	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	13		45,517,539		46,540,855
Current assets					
Stocks	14	3,399		3,665	
Debtors	15	606,683		480,357	
Cash at bank and in hand		1,777,233		1,266,695	
			<u>2,387,315</u>		<u>1,750,717</u>
Current liabilities					
Creditors: amounts falling due within one year	16	(1,454,364)		(1,162,413)	
Net current assets			<u>932,951</u>		<u>588,304</u>
Total assets less current liabilities			<u>46,450,490</u>		<u>47,129,159</u>
Creditors: amounts falling due after more than one year	17		(6,000)		(9,000)
Net assets before defined benefit pension scheme liability			<u>46,444,490</u>		<u>47,120,159</u>
Defined benefit pension scheme liability	21		(1,764,000)		(7,579,000)
Total net assets			<u><u>44,680,490</u></u>		<u><u>39,541,159</u></u>
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			45,574,489		46,556,982
- Restricted income funds			601,906		446,209
- Pension reserve			(1,764,000)		(7,579,000)
Total restricted funds			<u>44,412,395</u>		<u>39,424,191</u>
Unrestricted income funds	19		<u>268,095</u>		<u>116,968</u>
Total funds			<u><u>44,680,490</u></u>		<u><u>39,541,159</u></u>

PACE ACADEMY TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2022

The accounts on pages 37 to 66 were approved by the trustees and authorised for issue on 31/12/22 and are signed on their behalf by:



.....
Kevin Bright

Chair

Company registration number 08891864

PACE ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash provided by operating activities	22		563,951		388,834
Cash flows from investing activities					
Dividends, interest and rents from investments		158		131	
Capital grants from DfE Group		950,729		107,216	
Purchase of tangible fixed assets		(1,001,300)		(220,843)	
Net cash used in investing activities			(50,413)		(113,496)
Cash flows from financing activities					
Repayment of other loan		(3,000)		(3,000)	
Net cash used in financing activities			(3,000)		(3,000)
Net increase in cash and cash equivalents in the reporting period			510,538		272,338
Cash and cash equivalents at beginning of the year			1,266,695		994,357
Cash and cash equivalents at end of the year			<u>1,777,233</u>		<u>1,266,695</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

PACE Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

PACE Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

At the time of approving the financial statements, 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 one year from the date of approval of the financial statements. After due considerations the trustees 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 its operational activities and continue as a going concern. The trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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

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

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

Land and buildings	5-10%
Computer equipment	33%
Fixtures, fittings & equipment	20%

No depreciation is provided in respect of freehold land.

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

1.6 Liabilities

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

1.7 Leased assets

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

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The 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 are recognised in the period to which they relate.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and areas of judgement (Continued)

Local Government Pension Scheme

The present value of the Local Government Pension Scheme (LGPS) defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full triennial actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and the next full triennial actuarial valuation would impact on the carrying amount of the pension liability shown in these financial statements.

The ultimate responsibility for setting the assumptions is that of the Academy Trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The Academy Trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

One of the key assumptions is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate of 4.25% is considerably higher than the rate of 1.65% used in 2021.

This is the key driver for the swing that has resulted in the actuarial report and these financial statements showing a significantly reduced defined benefit liability from £7,579,000 to £1,764,000 during the year.

Critical areas of judgement

The trustees consider that they have not made any critical judgements in the preparation of the financial statements.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donated fixed assets	-	18,949	18,949	45,425
Capital grants	-	950,729	950,729	107,216
Other donations	67,923	-	67,923	10,624
	<u>67,923</u>	<u>969,678</u>	<u>1,037,601</u>	<u>163,265</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE / ESFA grants				
General annual grant (GAG)	-	7,694,340	7,694,340	7,013,165
Other DfE group grants	-	1,074,364	1,074,364	1,185,552
	-	8,768,704	8,768,704	8,198,717
Other government grants				
Local authority grants	-	1,668,923	1,668,923	1,829,894
Other funding				
Coronavirus Job Retention Scheme Grant	-	-	-	54,153
	-	-	-	54,153
Total funding	-	10,437,627	10,437,627	10,082,764

- The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under other funding.

- The academy furloughed some of its support staff including swimming teachers, breakfast, after school club and nursery staff under the government's CJRS. The funding received of £Nil (2021: £54,153) relates to staff costs in respect of 0 (2021: 34) staff which are included within note 10 below as appropriate.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	112,490	-	112,490	48,999
Catering income	154,540	-	154,540	125,689
Parental contributions	-	90,532	90,532	17,740
Other income	410,376	69,830	480,206	303,474
	677,406	160,362	837,768	495,902

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Other investment income	158	-	158	131

7 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2022 £	Total 2021 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	-	-	7,898	7,898	7,543
Academy's educational operations					
- Direct costs	7,085,675	-	505,104	7,590,779	7,141,250
- Allocated support costs	2,792,554	2,761,171	991,421	6,545,146	6,116,175
	<u>9,878,229</u>	<u>2,761,171</u>	<u>1,504,423</u>	<u>14,143,823</u>	<u>13,264,968</u>

Net income/(expenditure) for the year includes:

	2022 £	2021 £
--	-------------------	-------------------

Fees payable to auditor for audit services	18,500	17,000
Depreciation of tangible fixed assets	2,043,566	2,022,251
Net interest on defined benefit pension liability	132,000	98,000

8 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services; and
- others as arising.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Central services

(Continued)

	2022	2021
	£	£
The amounts charged during the year were as follows:		
Beecholme Primary School	92,294	40,312
Chipstead Valley Primary School	227,058	115,935
Keston Primary School	174,056	78,879
New Valley Primary School	87,832	38,991
Stanford Primary School	95,353	43,078
	<u>676,593</u>	<u>317,195</u>

An additional charge was made during the year due to funds received following a backdated claim for national non-domestic rates rebate.

9 Charitable activities

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Direct costs				
Educational operations	557,504	7,033,275	7,590,779	7,141,250
Support costs				
Educational operations	-	6,545,146	6,545,146	6,116,175
	<u>557,504</u>	<u>13,578,421</u>	<u>14,135,925</u>	<u>13,257,425</u>

Analysis of support costs

	2022	2021
	£	£
Support staff costs	2,794,519	2,492,230
Depreciation	2,043,566	2,022,251
Technology costs	42,823	68,852
Premises costs	717,605	715,076
Legal costs	38,337	115,853
Other support costs	861,877	668,652
Governance costs	46,419	33,261
	<u>6,545,146</u>	<u>6,116,175</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Staff

Staff costs

Staff costs during the year were:

	2022	2021
	£	£
Wages and salaries	6,752,457	6,594,062
Social security costs	561,161	525,464
Pension costs	2,422,948	2,109,269
	<hr/>	<hr/>
Staff costs - employees	9,736,566	9,228,795
Agency staff costs	141,663	157,255
	<hr/>	<hr/>
Staff development and other staff costs	9,878,229	9,386,050
	46,211	36,621
	<hr/>	<hr/>
Total staff expenditure	9,924,440	9,422,671
	<hr/> <hr/>	<hr/> <hr/>

Staff numbers

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

	2022	2021
	Number	Number
Teachers	81	88
Administration and support	186	189
Management	20	9
	<hr/>	<hr/>
	287	286
	<hr/> <hr/>	<hr/> <hr/>

Higher paid staff

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

	2022	2021
	Number	Number
60,001 - 70,000	3	2
70,001 - 80,000	3	4
90,001 - 100,000	1	1
	<hr/> <hr/>	<hr/> <hr/>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Staff

(Continued)

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1.

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £857,529 (2021: £821,016).

11 Trustees' remuneration and expenses

The Chief Executive Officer and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff, and not in respect of their services as trustees. Other trustees did not receive any payments or expenses from the academy trust in respect of their role as trustees.

The value of trustees remuneration was as follows:

Z Harris (Chief Executive Officer and trustee):

Remuneration £90,001 - 100,000 (2021: £Nil)

Employer's pension contributions paid £20,001 - 30,000 (2021: £Nil)

12 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim, for the year ended 31 August 2022 the trust was insured by the ESFA's Risk Protection Arrangement.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2021	54,224,808	415,462	375,066	55,015,336
Additions	785,283	44,011	190,955	1,020,249
Disposals	-	(14,919)	(7,932)	(22,851)
At 31 August 2022	<u>55,010,091</u>	<u>444,554</u>	<u>558,089</u>	<u>56,012,734</u>
Depreciation				
At 1 September 2021	8,011,269	300,486	162,726	8,474,481
On disposals	-	(14,919)	(7,932)	(22,851)
Charge for the year	1,897,678	74,929	70,958	2,043,565
At 31 August 2022	<u>9,908,947</u>	<u>360,496</u>	<u>225,752</u>	<u>10,495,195</u>
Net book value				
At 31 August 2022	<u>45,101,144</u>	<u>84,058</u>	<u>332,337</u>	<u>45,517,539</u>
At 31 August 2021	<u>46,213,539</u>	<u>114,976</u>	<u>212,340</u>	<u>46,540,855</u>

14 Stocks

	2022	2021
	£	£
Uniforms stock	3,399	3,665

15 Debtors

	2022	2021
	£	£
Trade debtors	1,255	19,178
VAT recoverable	131,199	45,185
Other debtors	11,730	-
Prepayments and accrued income	462,499	415,994
	<u>606,683</u>	<u>480,357</u>

Prepayments and accrued income include £72,055 (2021: £67,629) relating to grants due from the ESFA for pupil premium which was not received at the year end.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other loans	3,000	3,000
Trade creditors	352,593	175,461
Other taxation and social security	146,640	145,712
Other creditors	96,341	98,159
Accruals and deferred income	855,790	740,081
	<u>1,454,364</u>	<u>1,162,413</u>

17 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Other loans	<u>6,000</u>	<u>9,000</u>

Analysis of loans	2022	2021
	£	£
Wholly repayable within five years	9,000	12,000
Less: included in current liabilities	(3,000)	(3,000)
	<u>6,000</u>	<u>9,000</u>

Loan maturity

Debt due in one year or less	3,000	3,000
Due in more than one year but not more than two years	3,000	3,000
Due in more than two years but not more than five years	3,000	6,000
	<u>9,000</u>	<u>12,000</u>

Other loans are comprised of one public benefit entity concessionary loan. The loan bears interest at 2.01% per annum and is repaid over 60 equal instalments over a five year period.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Deferred income

	2022	2021
	£	£
Deferred income is included within:		
Creditors due within one year	326,913	492,582
	<u> </u>	<u> </u>
Deferred income at 1 September 2021	492,582	410,835
Released from previous years	(492,582)	(410,835)
Resources deferred in the year	326,913	492,582
	<u> </u>	<u> </u>
Deferred income at 31 August 2022	<u>326,913</u>	<u>492,582</u>

Deferred income relates to grant and other funding for the subsequent academic year received in advance.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	(201,709)	7,694,340	(7,653,870)	(50,561)	(211,800)
Other DfE/ESFA grants	(95,534)	1,074,364	(899,190)	-	79,640
Other government grants	660,016	1,668,923	(1,713,520)	(7,362)	608,057
Other restricted funds	83,436	160,362	(117,789)	-	126,009
Pension reserve	(7,579,000)	-	(1,155,000)	6,970,000	(1,764,000)
	<u>(7,132,791)</u>	<u>10,597,989</u>	<u>(11,539,369)</u>	<u>6,912,077</u>	<u>(1,162,094)</u>
Restricted fixed asset funds					
Inherited on conversion	39,245,553	-	-	-	39,245,553
DfE group capital grants	6,677,536	950,729	(2,027,333)	91,395	5,692,327
Donated fixed assets	633,893	18,949	(16,233)	-	636,609
	<u>46,556,982</u>	<u>969,678</u>	<u>(2,043,566)</u>	<u>91,395</u>	<u>45,574,489</u>
Total restricted funds	<u>39,424,191</u>	<u>11,567,667</u>	<u>(13,582,935)</u>	<u>7,003,472</u>	<u>44,412,395</u>
Unrestricted funds					
General funds	116,968	745,487	(560,888)	(33,472)	268,095
	<u>116,968</u>	<u>745,487</u>	<u>(560,888)</u>	<u>(33,472)</u>	<u>268,095</u>
Total funds	<u>39,541,159</u>	<u>12,313,154</u>	<u>(14,143,823)</u>	<u>6,970,000</u>	<u>44,680,490</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Funds

(Continued)

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

General Annual Grant

The General Annual Grant must be used for normal running costs of the Trust including salary costs, overheads, premises costs and curriculum costs. Under the Funding Agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Other DfE/ESFA and government grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

Pension Reserve

The pension reserve is the element of the local government pension fund liability attributable to the Academy (note 21).

Transfer between funds

Transfer from restricted general funds to the restricted fixed asset fund was necessary to fund fixed assets purchased during the year.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	(81,653)	7,013,165	(7,118,559)	(14,662)	(201,709)
Pupil premium	-	418,473	-	-	418,473
Other DfE/ESFA grants	(98,927)	821,232	(1,236,312)	-	(514,007)
Other government grants	436,746	1,829,894	(1,575,738)	(30,886)	660,016
Other restricted funds	80,771	88,608	(85,943)	-	83,436
Pension reserve	(5,550,000)	-	(821,000)	(1,208,000)	(7,579,000)
	<u>(5,213,063)</u>	<u>10,171,372</u>	<u>(10,837,552)</u>	<u>(1,253,548)</u>	<u>(7,132,791)</u>
Restricted fixed asset funds					
Inherited on conversion	39,245,553	-	-	-	39,245,553
DfE group capital grants	8,457,852	107,216	(1,942,684)	55,152	6,677,536
Donated fixed assets	668,035	45,425	(79,567)	-	633,893
	<u>48,371,440</u>	<u>152,641</u>	<u>(2,022,251)</u>	<u>55,152</u>	<u>46,556,982</u>
Total restricted funds	<u>43,158,377</u>	<u>10,324,013</u>	<u>(12,859,803)</u>	<u>(1,198,396)</u>	<u>39,424,191</u>
Unrestricted funds					
General funds	<u>113,688</u>	<u>418,049</u>	<u>(405,165)</u>	<u>(9,604)</u>	<u>116,968</u>
Total funds	<u>43,272,065</u>	<u>10,742,062</u>	<u>(13,264,968)</u>	<u>(1,208,000)</u>	<u>39,541,159</u>

PACE ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

19 Funds (Continued)

Total funds analysis by academy

	2022	2021
	£	£
Fund balances at 31 August 2022 were allocated as follows:		
Beecholme Primary School	60,790	57,315
Chipstead Valley Primary School	265,532	163,071
Keston Primary School	154,493	87,773
New Valley Primary School	50,842	56,275
Stanford Primary School	152,204	199,534
Central services	186,140	(791)
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	870,001	563,177
Restricted fixed asset fund	45,574,489	46,556,982
Pension reserve	(1,764,000)	(7,579,000)
	<hr/>	<hr/>
Total funds	<u>44,680,490</u>	<u>39,541,159</u>

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2022	Total 2021
	£	£	£	£	£	£
Beecholme Primary School	855,039	145,637	68,768	253,761	1,323,205	1,263,765
Chipstead Valley Primary School	2,367,854	740,860	121,240	796,545	4,026,499	3,797,591
Keston Primary School	1,631,631	407,666	94,881	587,221	2,721,399	2,467,119
New Valley Primary School	845,594	123,173	51,736	245,161	1,265,664	1,134,444
Stanford Primary School	1,280,409	206,734	98,197	308,093	1,893,433	1,836,212
Central services	191,197	264,707	70,256	72,759	598,919	467,089
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>7,171,724</u>	<u>1,888,777</u>	<u>505,078</u>	<u>2,263,540</u>	<u>11,829,119</u>	<u>10,966,220</u>

PACE ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	45,517,539	45,517,539
Current assets	268,095	1,914,058	205,162	2,387,315
Current liabilities	-	(1,306,152)	(148,212)	(1,454,364)
Non-current liabilities	-	(6,000)	-	(6,000)
Pension scheme liability	-	(1,764,000)	-	(1,764,000)
Total net assets	268,095	(1,162,094)	45,574,489	44,680,490

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	46,540,855	46,540,855
Current assets	141,020	1,546,476	63,221	1,750,717
Current liabilities	(24,052)	(1,091,267)	(47,094)	(1,162,413)
Non-current liabilities	-	(9,000)	-	(9,000)
Pension scheme liability	-	(7,579,000)	-	(7,579,000)
Total net assets	116,968	(7,132,791)	46,556,982	39,541,159

21 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of both schemes related to the period ended 31 March 2020.

At the end of the financial year, outstanding contributions of £95,712 (2021: £97,545) were payable to the Teachers' Pension Scheme.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The teachers' pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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%.

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension and similar obligations

(Continued)

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £830,010 (2020: £771,455).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are per cent for employers and per cent for employees.

All schools within the PACE Academy Trust contribute a pooled future service rate of 14.8% and a pooled deficit rate of 3.2% following the 2016 Teachers' Pension Scheme valuation.

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.

Total contributions made	2022	2021
	£	£
Employer's contributions	547,000	553,000
Employees' contributions	154,000	153,000
Total contributions	<u>701,000</u>	<u>706,000</u>

PACE ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

21 Pension and similar obligations (Continued)

Principal actuarial assumptions	2022	2021
	%	%
Rate of increase in salaries	3.4	3.3
Rate of increase for pensions in payment/inflation	3	2.9
Discount rate for scheme liabilities	4.3	1.7
Inflation assumption (CPI)	3.2	2.8

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

	2022	2021
	Years	Years
Retiring today		
- Males	21.5	21.8
- Females	23.9	24
Retiring in 20 years		
- Males	22.5	22.9
- Females	25.4	25.8

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumption at 31 August 2022:	Approximate % Increase to Employer Liability	Approximate Monetary Amount, £'000
0.1% decrease in Real Discount Rate	2.4%	212
0.1% increase in the Salary Increase Rate	0.2%	14
0.1% increase in the Pension Increase Rate	2.3%	200

The academy trust's share of the assets in the scheme	2022	2021
	Fair value	Fair value
	£	£
Equities	4,371,000	4,283,000
Government bonds	988,000	1,000,000
Cash	230,000	183,000
Property	697,000	579,000
Other assets	668,000	428,000
Total market value of assets	6,954,000	6,473,000

The actual return on scheme assets was £(157,000) (2021: £913,000).

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2022	2021
	£	£
Current service cost	1,570,000	1,276,000
Interest income	(110,000)	(86,000)
Interest cost	242,000	184,000
	<u>1,702,000</u>	<u>1,374,000</u>

Changes in the present value of defined benefit obligations	2022	2021
	£	£
At 1 September 2021	14,052,000	10,463,000
Current service cost	1,570,000	1,276,000
Interest cost	242,000	184,000
Employee contributions	154,000	153,000
Actuarial (gain)/loss	(7,237,000)	2,035,000
Benefits paid	(63,000)	(59,000)
	<u>8,718,000</u>	<u>14,052,000</u>
At 31 August 2022		

Changes in the fair value of the academy trust's share of scheme assets	2022	2021
	£	£
At 1 September 2021	6,473,000	4,913,000
Interest income	110,000	86,000
Actuarial loss/(gain)	(267,000)	827,000
Employer contributions	547,000	553,000
Employee contributions	154,000	153,000
Benefits paid	(63,000)	(59,000)
	<u>6,954,000</u>	<u>6,473,000</u>
At 31 August 2022		

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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

	Notes	2022 £	2021 £
Net expenditure for the reporting period (as per the statement of financial activities)		(1,830,669)	(2,522,906)
Adjusted for:			
Capital grants from DfE and other capital income		(969,678)	(152,641)
Investment income receivable	6	(158)	(131)
Defined benefit pension costs less contributions payable	21	1,023,000	723,000
Defined benefit pension scheme finance cost	21	132,000	98,000
Depreciation of tangible fixed assets		2,043,565	2,022,251
Decrease in stocks		266	346
(Increase) in debtors		(126,326)	(25,311)
Increase in creditors		291,951	246,226
Net cash provided by operating activities		<u>563,951</u>	<u>388,834</u>

23 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	1,266,695	510,538	1,777,233
Loans falling due within one year	(3,000)	-	(3,000)
Loans falling due after more than one year	(9,000)	3,000	(6,000)
	<u>1,254,695</u>	<u>513,538</u>	<u>1,768,233</u>

24 Long-term commitments

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	7,576	5,843
Amounts due in two and five years	10,875	1,576
	<u>18,451</u>	<u>7,419</u>

PACE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

25 Related party transactions

There were no related party transactions during the year other than Trustees' remuneration disclosed in note 11.

26 Post balance sheet events

There were no post balance sheet events.

27 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.