

Aletheia Academies Trust
(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2023

Aletheia Academies Trust
(A company limited by guarantee)

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Reference and Administrative Details
For the Year Ended 31 August 2023

Members	Area Dean of Gravesend (The Rev. N.I. Bourne) Archdeacon of Rochester (The Rev. A. Wooding Jones) Bishop of Rochester – J. Gibbs)(from 24/9/2022, position vacant until then) Chair of Trustees (Mr. A.J. Smith) - ended 08/12/22 Rochester Diocesan Board of Education (Mr J. Constanti) Chair of Trustees (Mr M Till) - appointed 08/12/22		
Trustees	Mr. A.J. Smith, Chair of Trustees (ended 08/12/22) Mr. M. Till, Chair of Trustees (appointed 08/12/22)* Mr. S. Carey, Accounting Officer * Mr. R. Hicks * Mr. W. Johnson * Mr. J. King (ended 10/02/2023) Mrs. H. Overton Mr. J. Holt * Mr. M. Till * Mr. A.K. Sharman Mr. G. Sandher (appointed 06/01/2023) Mrs. A. Magenis (appointed 01/03/2023) Mr. C. Pearson (appointed 01/03/2023) Mrs. M. Nadesan (appointed 17/04/2023) * Members of the Audit & Risk Committee		
Company registered number	07801612 (England and Wales)		
Principal and registered office	Saint George's Church of England School, Meadow Road Gravesend, Kent. DA11 7LS		
Senior Management Team	Mr. S. Carey, Chief Executive Officer, Accounting Officer, Executive Headteacher Mr. M. Lillie, Head of School at Saint George's Church of England School Mrs. A. Chitty, Head Teacher at St Botolph's Church of England Primary School Miss. T. Hewett, Head of School at Shorne Church of England Primary School Mrs. J. Rolfe, Head Teacher at Stone St Mary's Church of England Primary School Mr. G. Pollard, Head Teacher at Horton Kirby Church of England Primary School Mrs. K. Trowell, Head Teacher at Sutton-at-Hone Church of England Primary School Mrs. J. Roddan, Head of School at Rosherville Church of England Primary Academy (resigned 31/08/2023) Mrs. P. Gough, Head Teacher at Holy Trinity Church of England Primary School Mrs. K. Connolly, Headteacher at Cliffe Woods Primary School Ms. L. Taylor, Headteacher at Halling Primary School Mrs. J. Field, Acting-Head of School at Sedley's Church of England Primary School (ended 31/08/2023) Mr. T. Seath, Chief Finance Officer Mr. N. Thomas, Operations Officer Mr. A. Oldershaw, Senior Trust Improvement Officer Ms. S Crinnion, School Improvement Officer Mr. T. Muggridge, School Improvement Officer Mrs. S. Prest, School Improvement Officer Mrs. J. Barker-Platt (HR Director) (appointed 01/09/2022) Mrs C James, Company Secretary & Governance Lead (appointed 01/11/2022)		
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants, Statutory Auditors Thames House, Roman Square Sittingbourne, Kent. ME10 4BJ		
Bankers	Lloyds Bank 78 New Road, Gravesend Kent DA11 0AR London EC1M 6HR	Solicitors	Stone King LLP Boundary House 91 Charterhouse Street Clerkenwell

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Trustees' Report
For the Year Ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditor's report of the Academy Trust for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

Although opportunities to grow the Trust continue to be explored, there was no expansion during the year, with the Academy Trust operating 10 primary academies and 1 all-through academy in North-West Kent and Medway;

Cliffe Woods Primary School
Halling Primary School
Holy Trinity Church of England Primary School
Horton Kirby Church of England Primary School
Rosherville Church of England Primary School
Sedley's Church of England Primary School
Shorne Church of England Primary School
St Botolph's Church of England Primary School
St George's Church of England School (all-through)
Stone St. Mary's Church of England Primary School
Sutton-at-Hone Church of England Primary School

The Academy Trust has a combined pupil capacity of 4,865* and had a roll of 4,743 in the October 2022 school census.

*Pupil capacity is based on open year groups

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee (registration number 07801612) and an exempt charity, and its memorandum and articles of association are the primary governing documents of the Trust.

The Trustees of Aletheia Academies Trust are also the directors for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the Academy Trust undertakes to contribute to the assets of the 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 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.

Details of the insurance cover are provided in note 14 to the financial statements.

Method of Recruitment and Appointment or Election of Trustees

Potential new Trustees are identified by the Board (ensuring that their skills and experience are complementary to those of existing Trustees) and recommended to Members. The Members appoint a minimum of 5 Trustees. The Chief Executive Officer is treated for all purposes as being a Trustee.

In circumstances where each academy does not have on its Local Governing Board at least 2 Governors who are parents of pupils attending it (elected by parents of pupils currently registered in it, or, if not filled by elections, appointed by the Trustees), there shall be a minimum of 2 parent Trustees appointed by the Members.

Policies and procedures adopted for the induction and training of Trustees

During the year under review the full Board of Trustees met 4 times and as a sub-committee on 8 occasions. There were a minimum of 3 full Local Governing Board meetings held at each Academy plus various committee meetings.

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The training and induction provided for new Trustees depends on their previous experience. Where necessary, the induction process will provide training on charity, educational, legal, safeguarding and financial matters. All new Trustees are welcome to visit the academies and to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally no more than one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

There is a clear organisational structure to control the way in which the Trust is run. The governance structure consists of three levels: the Members, the Trustees, and the Local Governors (including Headteachers and Heads of School) at each Academy. The management structure consists of the Management Board (Senior Management Team) and senior leadership teams at each Academy. The aim of the organisational structure is to devolve responsibility and encourage involvement in decision-making at all levels.

The Trustees make decisions about the strategic direction of the Trust; hold the executive to account for the performance of academies and their pupils and staff; and oversee the Trust's financial performance. They provide direction to the Local Governing Boards, which are responsible for performance of the individual academies and the use of their budgets.

The Management Board comprises the CEO/Accounting Officer, all Head Teachers & Heads of School, Senior Improvement Officers, Chief Finance Officer, Operations Officer, HR Director and Governance Lead. These managers control the Academy Trust at an operational level, implementing the policies laid down by the Trustees or (at a single-academy level) by Governors, and reporting back to them. Individual Budget Holders within the Management Board are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although Appointment Boards for senior posts in the Trust Central Team must include Trustee representation, and for posts in Academy Senior Leadership Teams must always contain Governor representation. Some spending control is devolved to members of individual Academy Senior Leadership Teams, with limits above which a member of the Management Board must countersign.

The Local Governing Bodies and the Head Teachers or Heads of School control the academies on a day-to-day basis.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Academy Trust comprise the Senior Management Team as disclosed on page 1.

The CEO is a trustee, but only receives remuneration in respect of services provided under the contract of employment, and not in respect of the role as a Trustee. Specific disclosures concerning CEO remuneration are included in note 13.

All details of setting pay and remuneration of key management personnel are set out in the Pay Policy and Staff Performance Management Policy which are reviewed annually by the Board of Trustees.

Remuneration of key management personnel is set at an individual level. CEO remuneration is reviewed by a panel of Trustees. Head Teacher and Head of School remuneration is reviewed annually by the CEO and Chair of the relevant Local Governing Body. The remuneration of other key management staff is reviewed by the CEO.

Where possible, the Trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked to pay spines, enabling Trustees to delegate to the CEO approval of individual remuneration at an appropriate level. As such, salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The Board always bears in mind the charitable status of the Academy Trust and it recognises the fact that the Trust receives funding under a funding agreement with the Secretary of State for Education. It therefore ensures the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the Trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 12(e).

Trade union facility time

There is no Member of staff, either part- or full-time, that is paid for being a Union representative.

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Related Parties and other Connected Charities and Organisations

The Academy Trust is not linked with any sponsors. However, it continues to have close involvement with the Rochester Diocesan Board of Education, who hold title of the footprint of the land as detailed in the Accounting Policies. Some of our academies have a PTA organisation (see note 35).

Engagement with employees (including disabled persons)

The Academy Trust keeps employees in touch and up to date with matters that concern them via email and regular staff briefings and training sessions. Trust wide Staff Voice meetings take place. All employees have an individual workplace email account.

There are Trust-wide CPD groups and support networks including various good practice groups. The Trust has created two new roles to manage Trust wide CPD. Two part-time CPD Managers were appointed on 1st September 2023.

Employees are consulted on matters that concern them, such as the revision of the Performance Management Policy. Performance management encourages employees to do their best for the Trust and its pupils.

By adhering to the Trust Single Equality Scheme, individuals who are or may become disabled are not adversely treated with regard to applications for employment, training, career development and promotion.

OBJECTIVES, STRATEGIES AND ACTIVITIES

Objects and Aims

In accordance with the Articles of Association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education.

Aletheia schools welcome those of all faiths and none and are proud of the inclusive nature and diversity of each cohort. Aletheia schools are motivated by Christian values to serve our communities by improving the life chances of local children. Our schools seek to embody the experience of community, where gifts are shared, where the emphasis is on what can be contributed and where each is given according to need. At the heart of the Aletheia vision are the belief in educational excellence and the belief that Aletheia is called to serve pupils, staff, parents and the local community by providing places where children and young people develop and thrive intellectually, socially, culturally and spiritually.

Aletheia will deliver its vision by:

- Developing a Trust for all ages /phases of education, with member schools working in partnership and learning from each other.
- Promoting an ethos based on a belief in the value and potential of every student to achieve excellence academically and in their wider studies and to become fully the best person they can be.
- Pursuing educational excellence, so that outcomes for all learners are as good as they can be.
- Creating strong leadership at all levels that impacts effectively on academy performance.
- Providing a sustainable model to support a self-improving school system.

Objectives, Strategies and Activities

The main objectives of the Academy Trust during the year ended 31 August 2023 are summarised below:

- To embed our values, ethos and ideas about wellbeing.
- To ensure high quality staffing throughout our community.
- To achieve consistency and accountability in all practice.
- To create sustainability (staff and students, physical environment, financially)
- To maximise outcomes for ALL of our students

The Academy Trust's main strategy is to provide access to the best possible teaching facilities and staff. The main activities include:

- Tuition and learning opportunities for all students to maximise individual academic progress
- Training opportunities for all staff
- A programme of sporting and after-school activities for all students
- A programme of collective worship and worship-based activities
- Sourcing careers education and guidance to help students obtain employment or move on to higher education.

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Public Benefit

The Aletheia Academies Trust strives to promote and support the advancement of education within the North-West Kent and Medway areas. The academies provide extensive programmes of academic and recreational activities within and beyond their curricula. Wherever possible, the academies aim to contribute to the benefit of the wider public, by making available their premises to third parties for the provision of educational and other opportunities. These include, for example, various sports lettings such as the use of the swimming pool at Sutton-at-Hone CEP and the MUGA (Multi Use Games Area) at Saint George's.

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

STRATEGIC REPORT

Achievement and Performance

2022/23 Ofsted Inspections

Academy	Date	Outcome
Rosherville CEP Academy	September 2022	Good
St Botolph's CEP School	March 2023	Good
Shorne CEP School	March 2023	Good
Horton Kirby CEP School	May 2023	Good
Sedley's CEP School	May 2023	Good
Halling Primary School	June 2023	Good

Owing to the period of school closure caused by Covid-19, 2020/21 Secondary school results were teacher-assessed grades benchmarked to the assessment of 2018/19.

Secondary results:

GCSE	2023	2022	2021
Basics 4+	62%	72%	71%
Basics 5+	35%	46%	40%
Attainment 8	40.8	44.4	46.89
Progress 8	-0.02	+0.07	-
EBacc	13%	19%	21.2%
A Level	2023	2022	2021
3 A*-E	55%	60.2%	54%
2 A*-E	88%	91.8%	93%
1 A*-E	99%	99%	100%
Value Added	n/a	-	-

Primary data averages:

	2022/23 School (National)	2021/22 School (National)
EYFS	84% (68%)	73.1% (71.8%)
KS1 Phonics Screening	83% (79.6%)	76% (75%)
KS1 Reported Data: Expected Standard Reading	81%	76% (67%)
KS1 Reported Data: Expected Standard Writing	84%	67% (58%)
KS1 Reported Data: Expected Standard Maths	74%	78% (68%)
KS2 Reported Data: Combined Expected	54% (56.7%)	70% (59%)

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Key Performance Indicators

The trustees consider that the following are key performance indicators (KPIs) for the Academy Trust are monitor them on a regular basis:

	Unit	2023	2022
Student Numbers: Comparison with Published Admission Numbers (PAN = 4,860)	Pupil	4,743	4,696
Financial stability (revenue fund balances)	£	3,228,000	3,445,000
% of total spend on staff pay	%	82.4	80.0
% of total spend on teaching staff pay	%	52.8	51.5
% of total spend on curriculum support staff pay	%	14.3	14.7
% of total spend on non-curriculum support staff pay	%	15.4	13.8
Pupil - teacher ratio (Primary)	Pupil	22.2	22.4
Pupil - teacher ratio (Secondary)	Pupil	16.5	15.7
Average teacher cost (including on-costs)	£	58,090	53,413
Teacher contact ratio		0.74	0.74
Average class size (Primary)		28.2	28.1

Going Concern

The Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going- concern basis in preparing the financial statements. Further details regarding the adoption of the going-concern basis can be found in the Statement of Accounting Policies.

Financial review

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

Total income for the year, as shown by the SoFA, amounted to £28.80m, a decrease on the £31.88m in the prior year. These totals include capital funding of £1.35m and £1.93m respectively.

Since three academies joined the Academy Trust in the previous year, the expansion of the Academy Trust therefore makes it difficult to compare headline figures directly between years.

The day-to-day running of the Academy Trust's academies is funded by revenue income. Revenue income for the year amounted to £27.44m compared to £23.81m in the prior year. The increase is partly attributable to full year income for the three academies which joined in 2021/22 and partly due to general funding increases. Most of this revenue income is detailed in note 7, funding for educational operations, which shows that much of the increase relates to the rise of £2.02m in core General Annual Grant funding. 2022/23 has also seen the new Mainstream schools additional grant, a boost of £311k.

The SoFA shows total expenditure for the year of £28.85m leaving net expenditure for 2022/23 of £53k.

The overall movement in funds for the year, after actuarial gains on the Local Government Pension Scheme of £1.93m, was an increase of £1.87m (2022: £15.6m).

The transfers in, movement on the pension fund and capital transactions through the restricted fixed asset fund all mean that the movement in funds does not represent any form of operational result. The table below has therefore been included to reconcile firstly to the movement in revenue funds during the year, a decrease of £217k (2022: increase of £592k) and then to the operational surplus of £255k (2022: £374k):

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	2023 (£000s)	2022 (£000s)
Overall net movement in funds for the year per SOFA	1,873	15,634
(Increase) / decrease attributable to fixed asset fund	(435)	(6,993)
Inherited LGPS balances	-	1,661
LGPS actuarial loss / (gain)	(1,926)	(11,509)
LGPS service and interest costs	271	1,799
Movement on revenue funds during the year	(217)	592
Less: revenue funds transferred in with joining academies	-	(464)
Add: Transfers from revenue to capital to fund fixed asset additions and Salix loan repayments	472	437
Less: Transfer from capital to revenue to correct revenue : capital split in joining academies	-	(191)
Operational surplus on revenue funds before transfers to capital	255	374

During 2022/23 the Academy Trust chose to invest £472k of revenue funding on capital expenditure, and this is shown as part of the transfer into the restricted fixed asset fund on the SoFA. The table above therefore also shows the operational result prior to making this transfer between funds.

At 31 August 2023, the net book value of fixed assets was £9.2m and movements in tangible fixed assets are shown in note 17 to the financial statements. As explained in accounting policy 1.7 the land and buildings occupied by the Academy Trust's academies are generally not included on the Balance Sheet since they are occupied under the terms of a Church Supplemental Agreement with the freehold owners. This does not apply to Cliffe Woods and Halling, since these are not church schools, and are occupied under a long-term lease agreement with Kent County Council. The land and buildings for these two schools are reflected on the Balance Sheet, with the buildings element depreciated to write off the carrying value over the term of the lease.

During the year, the assets were used almost exclusively for providing education and the associated support services to the pupils of the academies, the only exceptions to this being letting of the premises to local community groups and other affiliated organisations.

Financial position

The Academy Trust held the following funds at 31 August 2023:

- restricted fixed asset funds of £10.32m (2022: £9.88m) which represents the net book value of fixed assets held on the balance sheet, together with any unspent capital grant funding. This fund also tracks the associated Salix loan.
- restricted revenue income reserves of £374k (2022: £1.32m) which are detailed in note 21 and relate to unspent government grant monies relating to core funding.
- completely 'free' unrestricted reserves of £2.85m (2022: £2.13m) which the trustees are free to spend as they see fit in accordance with the Academy Trust's charitable objects.
- a pension reserve, although at 31 August 2023 this show a £nil balance (2022: deficit of £1.7m. This reserve relates to the Local Government Pension Scheme (LGPS), a defined benefit multi-employer pension scheme of which the Academy Trust's non-teaching staff are members. The Academy Trust's share of the scheme is calculated each year by the Local Authority appointed actuary and carried on the Balance Sheet in accordance with accounting rules.

The pension deficit reduced significantly during the previous 2021/22 year as a result of a change in actuarial assumptions which created a large actuarial gain. A further large actuarial gain arose during 2022/23, to the extent that the valuation report indicated that a pension accounting surplus existed at 31 August 2023. Accounting standards state that if an employer has an accounting surplus, it should only be recognised to the extent that it is able to recover the surplus either through reduced contributions in the future, or through refunds. There are differing opinions across both the public sector and the accounting profession as to the extent to which a pension surplus represents an "unconditional right" of employers and therefore the extent to which the surplus can be recognised as being of economic value, and to date the ESFA have been unable to give any guidance to academy trusts. The Trustees have therefore taken the view that, since the Academy Trust is a long-term employer open to new members, there is not a reasonable expectation of ever reaching a point of cessation and therefore being able to access a return of surplus. Accordingly the surplus has not been included, and a break-even £nil position has been reflected on the Balance Sheet. The pension surplus is disclosed in note 2 and the actuarial assumptions and other movements in the year are disclosed in note 29.

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It is noteworthy that any pension surplus or deficit is merely an accounting figure calculated under FRS 102 for the purposes of the financial statements, and has no direct effect on the employer contribution rate paid by the Academy Trust, which is determined using longer-term funding assumptions. These contribution rates are reviewed every three years in consultation with the scheme's administrators, and current employer contributions due by the Academy Trust are fixed until 1 April 2026.

Reserves Policy

The Trustees have reviewed the financial statements of the Trust. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves will be kept under review by the Trustees. The Trustees will always try to match income with expenditure in the current year (setting and managing a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils. With this in mind, Trustees introduced a Reserves Policy as at 1 January 2022 to ensure individual academy reserves do not exceed 12% of total income by September 2024.

Investment Policy

The Trustees did not adopt an investment policy as the level of free reserves was not considered large enough to enable long term investment after providing a contingency to deal with unexpected emergencies such as urgent maintenance. This will continue to be reviewed by Trustees. The Chief Finance Officer will continue to review cash flows and investment options with the Relationship Manager from Lloyds Bank.

Principal Risks and Uncertainties

The Trust Operations Officer is responsible for the maintenance of the Trust Risk Register and reporting to Trustees and Key Management. The main risks that the Academy Trust is exposed are summarised below. For each of these risks, the business objective threatened, likelihood and impact have been considered together with appropriate control measures and contingency plans:

- Strategic – this covers risks to its strategic performance in delivering the curriculum and its vision
- Internal – this covers risks which the key characteristics can be controlled internally
- External – this covers risks which are affected by external threats
- Project – this covers risk relation to specific, large-scale projects which are key to its continued success

The Strategic Risk Register is split into two key sections; 'Key Risks' and 'Risks'. All risks are reported to Trustees and Key Management, with 'Key Risks' being discussed in greater detail with the Board of Trustees Audit, Risk and Finance Committee. Risk scores are tracked and risk can move between each section depending on their net risk score, after control measures have been considered.

The Academy Trust's approach to risk is further defined within the Risk Management Policy.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data	period 1 September 2022 to 31 August 2023	period 1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	3,879,636	3,615,435
Energy consumption break down (kWh)		
i. gas,	i. 2,165,324	i. 2,151,723
ii. electricity,	ii. 1,629,335	ii. 1,377,078
iii. oil,	iii. 61,998	iii. 71,106
iv. transport fuel	iv. 22,979	iv. 15,528
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
Gas consumption	395.30	392.78
Owned transport – mini-buses	5.13	5.31
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	337.39	266.30
<u>Scope 3 emissions in metric tonnes CO₂e</u>		
Business travel in employee-owned vehicles	20.85	12.51
Total gross emissions in metric tonnes CO ₂ e	758.67	676.90
<u>Intensity ratio</u>		
Tonnes CO ₂ e per pupil	0.16	0.14

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Quantification and Reporting Methodology:

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

Intensity measurement

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

Measures taken to improve energy efficiency

We have increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

FUNDRAISING

The Trust does not get involved in any formal professional fundraising. Where relevant, Trustees will adopt the 6 principles of fundraising recommended by the Charity Commission as per their publication "Charity fundraising: a Guide to Trustee Duties (CC20)". The 6 principles are:

- Planning effectively
- Supervising fundraisers
- Protecting reputation, money & other assets
- Identifying and ensuring compliance with the laws or regulations that apply to fundraising within a school
- Identifying and following any recognized standards applicable to fundraising within a school
- Being open and accountable

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

PLANS FOR FUTURE PERIODS

The Aletheia Academies Trust will continue to strive to maintain, and where necessary improve, the levels of attainment and progress of its students at all Key Stages.

The Trustees are committed to a policy of measured expansion within North-West Kent and neighbouring areas as encouraged by the government's Multi Academy Trust programme. In autumn 2015, the Trust achieved accreditation as an Academy sponsor to enable it to support local academies requiring improvement, following the necessary due diligence process.

The all-through provision at Saint George's continues to be over-subscribed. Ditton Church of England Junior School will convert to an academy and join the Trust on 1st November 2023. Our new All- through Free School to be sited within the new Ebbsfleet Garden City Development is due to open in September 2025. Rosherville CEP is due to be relocated to a new-build school in 2025, increasing its capacity from 0.6FE to 2.0FE. Discussions are progressing with other local schools and academies. Trustees and key members of the Senior Management Team have reviewed the organisational structure (Trust Central Services Team) to reflect the growth of the Trust.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust distributes 16-19 bursary funds to the students as an agent for the ESFA. Details, including any amounts not dispersed by the financial year end, are disclosed in note 34 to the financial statements.

As a School Direct provider, the Trust is also in receipt of funding on behalf of other schools in the local area, as well as trainee teachers. The Trust is responsible for ensuring that these funds are distributed appropriately and within the agreed timescale.

AUDITORS

In so far as the Trustees are aware:


- there is no relevant audit information of which the charitable company's auditor is unaware;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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The auditors, UHY Hacker Young, have indicated their willingness to continue in office, and the audit process will be reviewed in detail and their re-appointment will be considered following the forthcoming Annual General Meeting.

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

DocuSigned by:

8953ED6213DE4C6...

Mr. M. Till
Chairman of Trustees

DocuSigned by:

10F2E9F8C038447...

Mr. S. Carey
Chief Executive Officer and Accounting Officer

Date: 7 December 2023

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Governance Statement For the Year Ended 31 August 2023

Scope of Responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Aletheia Academies Trust and the Secretary of State for Education. The Accounting Officer is 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 full Board of Trustees has formally met 4 times plus 3 Audit Committees, 3 Education Performance Committees and 2 People & Remuneration Committees during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<u>Trustee</u>	<u>Full Board Meetings attended</u>	<u>Out of a possible</u>
S. Carey	4	4
R. Hicks	1	4
J. Holt	3	4
W. Johnson	4	4
J. King	2	2
H. Overton	4	4
A. Smith	4	4
M. Till	4	4
A. Sharman	3	4
G. Sandler	1	2
C. Pearson	2	2
A. Magenis	0	2
M. Nadesan	1	1

During the year, the responsibilities of the Board of Trustees included those of the Audit, Risk & Finance Committee. Finance is a fixed agenda item at all Board of Trustee meetings.

The Academy Trust Handbook requires the full Board to meet at least three times per annum and recommends six meetings. Although the full Board of Trustees has met fewer than six times, effective oversight has been maintained via the sub-committee meetings and the monitoring of monthly management information.

The Board reviews its effectiveness annually. The Trust continued work with the School Resource Management Adviser in Term 6 being a review of what was tested the year before, focussing on the following:

- Trust's use of Integrated Curriculum Financial Planning
- Review of recommendations to the Trust
- Financial health and use of resources
- Management Accounts & Census Data
- Financial governance

Aletheia Academies Trust

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Governance Statement For the Year Ended 31 August 2023

Governance reviews

Four new Trustees joined in 2023. Gurvinder Sandher, Company CEO was appointed in January 2023 and agreed to be a member of the Education Performance Committee. Ann Magenis, Multi Agency Risk Assessment Coordinator, was appointed in March 2023 and agreed to be a member of the Education Performance Committee. Christopher Pearson, retired HR professional, was appointed in March 2023 and agreed to be a member of the People & Remuneration Committee. Marilyn Nadesan, Headteacher, was appointed in April 2023 and agreed to be a member of the Education Performance Committee. Joe King sadly passed away in February 2023 and his tremendous contribution to Saint George's CE School and the Aletheia Academies Trust will not be forgotten.

The Audit, Risk & Finance Committee is also a sub-committee of the main Board of Trustees. Its purpose is:

- To maintain an oversight of the Academy Trust's governance, risk management, internal control and value for money framework.
- To report its findings annually to the Trust Board and the Accounting Officer as a critical element of the Academy Trust's annual reporting requirements.
- The Audit Committee has no executive powers or operational responsibilities/duties.

Attendance at Audit, Risk & Finance Committee meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
S. Carey	3	3
R. Hicks	3	3
J. Holt	2	3
W. Johnson	3	3
M. Till	3	3

Conflicts of Interest

Conflicts of Interest are checked regularly by way of an annual statement from each trustee as well as confirmation at each Full Board and Committee meeting. Were there to be any conflict of interest declared the individual would not be able to take part in the agenda item discussion or voting. This would be documented by the Clerk to Trustees.

Review of value for money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by employing an Operations Officer to focus upon the consolidation of procurement across the Trust.

Targeted Improvement

Staffing structures and timetables are regularly reviewed to ensure that staff are efficiently deployed and educational standards continue to improve. Resources were targeted to enhance provision to literacy, numeracy and EAL support. Individual student progress is monitored throughout the academic year to ensure that all students are quickly and accurately assessed and appropriate interventions and support are targeted to achieve the best outcome.

Collaboration

Links with other local Church Schools continue to grow since the forming of the Aletheia Anglican Academies Trust (MAT) in December 2014. This has enhanced the sharing of experts for the delivery of good practice (e.g. School improvement / primary physical education provision / financial management / IT support and estates compliance) and enabled cost savings through economies of scale through shared administration and procurement costs (e.g. Energy / Insurance / HR & payroll / staff recruitment / financial services / IT and reprographics).

Aletheia Academies Trust

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Governance Statement

For the Year Ended 31 August 2023

Better Purchasing

Procurement decisions are carefully considered by local Governors at regular governing body meetings. Expiring contracts and the replacement/renewal of equipment are considered and the best value long term options assessed prior to quotes being obtained (e.g. contract cleaning). Proposals/quotes are compared to ensure that goods and services are secured in the most economic, efficient and effective way. There is a tender process for major works e.g. buildings and boiler replacement projects. Professional advice is sought when necessary (e.g. major building works, human resources and legal). 2022/23 was a year of consolidation. Prior to that the School Resource Management Adviser reported in July 2022 that *'the trust has made changes to several services and contracts that have resulted in reduced expenditure, improved efficiencies, and better value, the key changes are listed below:*

- *Changes to MIS (Management Information Software) provider*
- *Review and change of many facilities led contracts and services from academy to trust wide*
- *Centralisation of some support staff roles or tasks*
- *Fixing electricity and gas costs up to 2023 and 2024 respectively have and will provide savings'*

Estate safety and management

- The Trust has a robust service level agreement with a number of contractors responsible for maintaining compliance throughout the estate, in areas such as Fire Risk and Legionella Control. Such arrangements allow an improved 'added value' to the Trust and allow more strategic decisions on the Trust's estate to be taken
- A programme of training has been well received; the majority of locally-engaged Premises staff and all IT Support Staff have accredited IOSH Working Safely training, which is supplemented by a number of colleagues throughout the Trust holding IOSH Managing Safely. The Operations Officer, who retains the responsibility as the Trust's Competent Person, is accredited with the NEBOSH National General Certification in Occupational Health and Safety. Future plans are being made to further supplement this offering.
- Eight RAAC surveys were commissioned with an appropriate body and determined that no RAAC is present. Two further schools have had DfE appointed surveyors visit the site, where no RAAC was identified. Our last school, who converted on 1st November 2023, have had a DfE appointed RAAC inspection and, although extremely unlikely, a follow-up second visit undertaken to expose areas of the school fabric to confirm that RAAC is not present
- Appropriate maintenance contracts are in place across the Trust, many of which are Trust-level contracts with a single contractor. Work is ongoing with onboarding academies to standardise their provision to streamline the process and increase the level of management information available in order to strategically manage the estate
- This year, over £21,000 has been invested in either compliance or health and safety related capital improvements via the Trust's School Condition Allocation. A significantly higher proportion of expenditure has been incurred to improve the estate to continually develop our educational environments.
- The Trust's Engineering insurance provider is engaged to inspect all boilers/plant, access equipment (PUWER compliance) and lifting equipment (LOLER compliance).
- Standardised procedures for the safe management of the estate are being shared as best practice.

Financial Governance and Management:

Financial governance and oversight is robust. Each Academy produces a 3-year benchmarked budget plan and controls are in place for all levels of management to be provided with regular budget monitoring reports. This ensures that resources are managed effectively to meet the objectives of the Academy Trust. Termly Internal Control reports further inform local Governors and Trustees that the necessary controls are in place. Significant spending proposals are costed and presented to the Management Board, Senior Leadership Teams and the Local Governing Bodies for consideration and challenge.

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. A new internal control auditor (McCabe Ford Williams) was employed in December 2020 and three internal control audits were carried-out in 2022/23.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year to

Aletheia Academies Trust
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Governance Statement
For the Year Ended 31 August 2023

31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The 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 monthly financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and appointed McCabe Ford Williams.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The internal auditor is employed to report 3 times per annum on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. 2022/23 internal auditor checks focused on (i) standard internal control review checks (ii) Review of the Trust's governance (iii) Review of HR & payroll processes and progress of 2021/22 management letter actions

Standard internal control checks included:

- testing of month end controls and management reporting;
- review of Companies House and Get Information About Schools websites;
- payroll testing;
- bank and petty cash reconciliations;
- income;
- control codes – VAT, payroll, loans, debtors and creditors; and
- purchasing procedures including tenders.

No high risks items were identified and no material issues/concerns arose from the internal auditor's work.

Review of Effectiveness


As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control.

During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

DocuSigned by:

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Mr. M. Till
Chairman of Trustees

DocuSigned by:

10F2E9F8C038447...

Mr. S. Carey
Chief Executive Officer and Accounting Officer

Date: 7 December 2023

Aletheia Academies Trust
(A company limited by guarantee)

Statement of Regularity, Propriety and Compliance

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

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

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

DocuSigned by:

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Mr. S. Carey
Accounting Officer

Date: 7 December 2023

Aletheia Academies Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2023

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

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

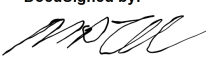
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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

DocuSigned by:

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Mr. M. Till
Chair of Trustees

Date: 7 December 2023

Aletheia Academies Trust
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Independent Auditors' Report on the financial statements to the Members of Aletheia Academies Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Aletheia Academies Trust
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Independent Auditors' Report on the financial statements to the Members of Aletheia Academies Trust (continued)

Matters on which we are required to report by exception

In the light of our 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 Strategic Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

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

- we identified the laws and regulations applicable to the Academy Trust through discussions with management, and from our commercial knowledge and experience of the academy and wider education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the Academy Trust, including the Academy Trust Handbook, Annual Accounts Direction, Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Academy Trust's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

Aletheia Academies Trust
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Independent Auditors' Report on the financial statements to the Members of Aletheia Academies Trust (continued)

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditors' 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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Allan Hickie BSc FCA (Senior statutory auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 15 December 2023

Aletheia Academies Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Aletheia Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 29 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aletheia Academies Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Aletheia Academies Trust's funding agreement with the Secretary of State for Education dated 10 November 2014 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants 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.

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of Aletheia Academies Trust for the year ended 31 August 2023 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw our conclusion included:

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

In line with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued April 2023, we have not performed any additional procedures regarding the Academy Trust's compliance with safeguarding, health and safety and estates management.

Aletheia Academies Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Aletheia Academies Trust and the Education & Skills Funding Agency (continued)

Conclusion

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



UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 15 December 2023

Aletheia Academies Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2023

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 (reclassified) £000
Income from:						
Donations and capital grants	4	97	-	1,351	1,448	8,113
Other trading activities	5	730	-	-	730	587
Investments	6	-	-	-	-	1
Funding for educational operations	7	547	26,070	-	26,617	23,175
Total income		1,374	26,070	1,351	28,795	31,876
Expenditure on:						
Raising funds	8	123	-	-	123	46
Charitable activities	10	520	26,817	1,388	28,725	27,705
Total expenditure		643	26,817	1,388	28,848	27,751
Net income/(expenditure)		731	(747)	(37)	(53)	4,125
Transfers between funds	21	(7)	(465)	472	-	-
Net movement in funds before other recognised gains/(losses)		724	(1,212)	435	(53)	4,125
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	29	-	1,926	-	1,926	11,509
Net movement in funds		724	714	435	1,873	15,634
Reconciliation of funds:						
Total funds brought forward		2,130	(340)	9,881	11,671	(3,963)
Net movement in funds		724	714	435	1,873	15,634
Total funds carried forward	21	2,854	374	10,316	13,544	11,671

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


The notes on pages 25 to 53 form part of these financial statements.

Aletheia Academies Trust
(A company limited by guarantee)
Registered number: 07801612

Balance Sheet
As at 31 August 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	17	9,167	8,867
Current assets			
Stocks		55	50
Debtors	18	1,258	1,637
Cash at bank and in hand	26	4,788	4,644
		6,101	6,331
Creditors: amounts falling due within one year	19	(1,667)	(1,809)
Net current assets		4,434	4,522
Total assets less current liabilities		13,601	13,389
Creditors: amounts falling due after more than one year	20	(57)	(63)
Net assets excluding pension asset / liability		13,544	13,326
Defined benefit pension scheme asset / liability	29	-	(1,655)
Total net assets		13,544	11,671
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	21	10,316	9,881
Restricted income funds	21	374	1,315
Pension reserve	21	-	(1,655)
Total restricted funds	21	10,690	9,541
Unrestricted income funds	21	2,854	2,130
Total funds		13,544	11,671

The financial statements on pages 22 to 53 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

DocuSigned by:

8953ED6213DE4C6...

Mr. M. Till
Chair of Trustees

Date: 7 December 2023

The notes on pages 25 to 53 form part of these financial statements.

DocuSigned by:

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Mr. S. Carey
Chief Executive Officer and Accounting Officer

Aletheia Academies Trust
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Statement of Cash Flows
For the Year Ended 31 August 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash used in operating activities	23	(497)	(959)
Cash flows from investing activities	25	650	389
Cash flows from financing activities	24	(9)	53
		<u>144</u>	<u>(517)</u>
Change in cash and cash equivalents in the year		144	(517)
Cash and cash equivalents at the beginning of the year		4,644	5,161
Cash and cash equivalents at the end of the year	26, 27	<u><u>4,788</u></u>	<u><u>4,644</u></u>

The notes on pages 25 to 53 form part of these financial statements

Aletheia Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

1. General information

Aletheia Academies Trust is a 11 school multi-academy trust, which is limited by shares. Aletheia Academies Trust (company number 07801612) was registered in England and Wales. Its registered office is St George's Church of England School, Meadow Road, Gravesend, Kent, DA11 7LS. The presentation currency is pounds sterling and the financial statements are rounded to thousands.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

Aletheia Academies Trust meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

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

2.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

Aletheia Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

2. Accounting policies (continued)

2.3 Income (continued)

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

• **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies. During 2021/22 the Academy Trust received ICT equipment from the Government under the free laptop and tablet scheme which has been accounted for this way.

2.4 Expenditure

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

• **Expenditure 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.

• **Grants payable**

These are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Where relevant, expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

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

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

Aletheia Academies Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2023

2. Accounting policies (continued)

2.7 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The Rochester Diocesan Board of Education own the legal title of the sites where much of the Academy Trust's land and buildings are situated. The trust therefore occupies these school properties under the terms of a church Supplemental Agreement with the freehold owners. In considering the accounting treatment for these properties, the trustee have considered the provisions of the Academies Accounts Direction (AAD). The AAD clarifies that where a supplemental agreement is in place then the trust does not have full rights or control, such that any asset should not be recognised on the balance sheet.

Per the AAD the rolling right to occupy the buildings could be recognised in the financial statements via a notional donation (since the trust pays no actual rent) with a corresponding notional rent expense for its use of the premises. The value of the donation would be the amount that the Academy Trust would otherwise have had to pay to secure premises, however since the trustees feel that this cannot be reliably measured, and in accordance with the AAD, no donation or rental expense have been recognised.

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

Depreciation is provided on the following bases:

Long-term leasehold property	- Over the remaining lease term
Furniture & equipment	- 10-20 years
Computer equipment	- 3 years

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

2.8 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. 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 as detailed in notes 19 and 20. 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.

2.9 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Aletheia Academies Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2023

2. Accounting policies (continued)

2.10 Pensions

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

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

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

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

2.11 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 32.

2.12 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

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Notes to the Financial Statements
For the Year Ended 31 August 2023

3. Critical accounting estimates and areas of judgment

Estimates and judgments 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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

We consider that there has been one key area of judgement in respect of the actuarial assumptions made leading to the closing pension scheme liability:

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.

The key assumption is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate used of 5.30% is higher than the rate of 4.25% used in 2022. Since a higher discount rate means assets will grow more rapidly in the future, this results in lower current liabilities. This is the key driver for the reduction in the carried LGPS deficit from £1.655m during the year.

Critical areas of judgment:

LGPS pension asset recognition

FRS 102 section 28.22 allows an entity to recognise a pension asset "only to the extent it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan."

Whilst the LGPS actuarial valuation report for the year ended 31 August 2023 indicates a defined benefit asset of £540k exists at the year end date, the Trustees have considered that there is insufficient evidence that a surplus being recognised would ever result in a repayment or reduction in contributions, given that such a surplus is probably only temporary. Also, as a longer term employer that is open to new members, there isn't a reasonable expectation that the Academy Trust will ever reach a point of cessation that would enable access to a return of surplus.

The actuarial gain has therefore been restricted to instead leave a break-even position on the Balance Sheet with neither an asset or liability recognised.

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Notes to the Financial Statements
For the Year Ended 31 August 2023

4. Income from donations and capital grants

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Donated assets	-	-	-	-	34
Transfer from local authority on conversion	-	-	-	-	76
Transferred in from existing academy trust	-	-	-	-	6,031
Donations	97	-	-	97	44
Capital grants	-	-	1,351	1,351	1,928
	<u>97</u>	<u>-</u>	<u>1,351</u>	<u>1,448</u>	<u>8,113</u>
<i>Analysis of 2022 total by fund</i>	<u>371</u>	<u>(1,524)</u>	<u>9,266</u>	<u>8,113</u>	

5. Income from other trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Before and after school clubs	326	326	244
Lettings	210	210	171
Other trading income	121	121	109
Insurance claims	38	38	44
Uniform sales	35	35	19
	<u>730</u>	<u>730</u>	<u>587</u>
<i>Analysis of 2022 total by fund</i>	<u>587</u>	<u>587</u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2023

6. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 (reclassified) £000</i>
Bank interest	-	-	1
	<u> </u>	<u> </u>	
<i>Analysis of 2022 total by fund</i>	<u> </u>	<u> </u>	
	<u> </u>	<u> </u>	

7. Funding for educational operations

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 (reclassified) £000</i>
Educational operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	20,500	20,500	18,477
Other DfE/ESFA grants				
Pupil premium and service premium	-	1,062	1,062	917
16 to 19 core funding	-	1,054	1,054	862
Schools supplementary grant	-	601	601	260
Universal infant free school meals	-	494	494	432
Mainstream schools additional grant	-	311	311	-
PE and Sports grant	-	207	207	167
Others	-	250	250	167
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	24,479	24,479	21,282
Other Government grants				
Local authority SEN funding	-	500	500	425
Other local authority grants	-	598	598	749
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	1,098	1,098	1,174
Other income from educational operations	547	235	782	504
COVID-19 additional funding (DfE/ESFA)				
Other DfE/ESFA COVID-19 funding	-	258	258	215
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	258	258	215
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	547	26,070	26,617	23,175
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Analysis of 2022 total by fund</i>	<u> </u>	<u> </u>	<u> </u>	
	<u> </u>	<u> </u>	<u> </u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2023

7. Funding for educational operations (continued)

The comparative figures in this note have been reclassified in some instances, with the main change being to strip out 16 to 19 from GAG and include this under a separate row within Other DfE/ESFA grants. The schools supplementary grant is now also shown separately within Other DfE/ESFA grants after being included within 'others' in the prior year.

Other Covid funding of £258k comprises (i) £121k National Tutoring Programme (formally School Led Tutoring) to support disadvantaged pupils in catch-up learning; and (ii) £137k of Recovery Premium provided to support schools with education recovery following Covid-19.

8. Expenditure

	Staff Costs	Premises	Other	Total	<i>Total</i>
	2023	2023	2023	2023	<i>2022</i>
	£000	£000	£000	£000	<i>£000</i>
Expenditure on fundraising trading activities:					
Direct costs	-	-	123	123	46
Educational operations:					
Direct costs	18,045	31	2,621	20,697	17,979
Allocated support costs	3,694	1,980	1,591	7,265	7,567
	<u>21,739</u>	<u>2,011</u>	<u>4,335</u>	<u>28,085</u>	<u>25,592</u>
<i>Analysis of 2022</i>	<u>20,499</u>	<u>1,500</u>	<u>3,593</u>	<u>25,592</u>	

9. Analysis of grants

	Grants to	Total	<i>Total</i>
	Institutions	funds	<i>funds</i>
	2023	2023	<i>2022</i>
	£000	£000	<i>£000</i>
Improvements to diocesan property occupied by the Academy Trust	763	763	2,159
<i>Analysis of 2022 total</i>	<u>2,159</u>	<u>2,159</u>	

Aletheia Academies Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2023

9. Analysis of grants (continued)

The costs for both years represent works completed on the Academy Trust's church school buildings during the year. As noted in accounting policy 1.7 the buildings are not reflected on the balance sheet, and so, in accordance with the Academies Accounts Direction, associated improvements are treated as an expense for the year as a grant to the Diocese which owns the buildings.

The improvements during 2022/23 include:

Various extensions and refurbishments across the Trust.

Various condition and health and safety improvements across the Trust, including roofing projects, window replacements and LED lighting.

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total 2023 £000	<i>Total 2022 £000</i>
Educational operations	520	28,205	28,725	27,705
<i>Analysis of 2022 total by fund</i>	<i>603</i>	<i>27,102</i>	<i>27,705</i>	

11. Analysis of expenditure by activities

	Direct costs 2023 £000	Grant funding of activities 2023 £000	Support costs 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Educational operations	20,697	763	7,265	28,725	27,705
<i>Analysis of 2022 total</i>	<i>17,979</i>	<i>2,159</i>	<i>7,567</i>	<i>27,705</i>	

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Notes to the Financial Statements
For the Year Ended 31 August 2023

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Staff costs	3,694	4,577
Technology costs	357	343
Premises costs	1,980	1,500
Legal costs - conversion	-	7
Governance costs	47	50
Other support costs	1,187	1,090
	<u>7,265</u>	<u>7,567</u>

12. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £000	<i>2022 £000</i>
Operating lease rentals	54	46
Depreciation of tangible fixed assets	401	288
Fees paid to auditors for:		
- audit	22	20
- other services	15	10
	<u>492</u>	<u>364</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2023

13. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	<i>2022</i>
	£000	<i>£000</i>
Wages and salaries	15,986	<i>14,149</i>
Social security costs	1,488	<i>1,315</i>
Pension costs	3,832	<i>4,849</i>
	<u>21,306</u>	<u><i>20,313</i></u>
Agency staff costs	426	<i>174</i>
Staff restructuring costs	7	<i>12</i>
	<u>21,739</u>	<u><i>20,499</i></u>

Staff restructuring costs comprise:

	2023	<i>2022</i>
	£000	<i>£000</i>
Redundancy payments	-	<i>2</i>
Severance payment to 1 employee (contractual)	7	<i>10</i>
	<u>7</u>	<u><i>12</i></u>

b. Staff numbers

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

	2023	<i>2022</i>
	No.	<i>No.</i>
Leadership	20	<i>18</i>
Teachers	255	<i>235</i>
Administration and support	387	<i>341</i>
	<u>662</u>	<u><i>594</i></u>

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Notes to the Financial Statements
For the Year Ended 31 August 2023

13. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2023	2022
	No.	No.
Leadership	18	16
Teachers	227	209
Administration and support	244	223
	<u>489</u>	<u>448</u>

c. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	7	5
In the band £70,001 - £80,000	7	7
In the band £80,001 - £90,000	4	1
In the band £160,001 - £170,000	-	1
In the band £170,001 - £180,000	1	-
	<u>1</u>	<u>-</u>

d. 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 and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1.673m (2022 - £1.579m). The increase is predominantly attributable to two new members of the key management team.

14. Trustees' remuneration and expenses

One trustee, being the CEO, has been paid remuneration and received pension benefits from his employment with the Academy Trust. He only receives remuneration in respect of services provided undertaking his role under a contract of employment, and are not remunerated for serving as trustee. The value of this remuneration and pension benefits was as follows:

		2023	2022
		£000	£000
Mr. S. Carey, CEO and Accounting Officer	Remuneration	175 - 180	165 - 170
	Pension contributions paid	40 - 45	35 - 40

During the year ended 31 August 2023, 1 trustee was reimbursed £1k for travel costs (2022 - £NIL).

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Notes to the Financial Statements
For the Year Ended 31 August 2023

15. Trustees' and Officers' insurance

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

16. Central services

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

- School improvement service
- Staffing support – CEO/Executive Headteacher, School Improvement Officers, HR Director, Governance Lead, CEO PA, IT Team, Media Team, Operations Officer, Chief Finance Officer and Central Finance Team, Data Technician
- ICT provision
- Data support
- HR and payroll, including staff recruitment packages
- Premises compliance overview
- Capital project support
- Centralised procurement service
- Staff training and apprenticeships
- In-year internal controls and annual external audits
- Rochester Diocese SLA
- Administrative expenses
- Policy review
- Governance support
- Memberships/Subscriptions such as The Key, National College

The Academy Trust charges for these services on the following basis:

The basic charge was 5.75% of General Annual Grant (GAG) funding for all schools within the trust, which in total was £1,237k. There were also additional specific charges for clerking, finance and media services totalling £274k. A one-off specific transfer was also made to central by St Botolph's Church of England Primary School in the year of £145k.

The actual amounts charged during the year were as follows:

	2023	<i>2022</i>
	£000	<i>£000</i>
St George's Church of England School	503	<i>366</i>
St Botolph's Church of England Primary School	257	<i>108</i>
Shorne Church of England Primary School	70	<i>50</i>
Horton Kirby Church of England Primary School	78	<i>63</i>
Stone St Mary's Church of England Primary School	189	<i>152</i>
Sutton-at-Hone Church of England Primary School	105	<i>98</i>
Rosherville Church of England Primary School	57	<i>40</i>
Holy Trinity Church of England Primary School	125	<i>100</i>
Cliffe Woods Primary School	122	<i>63</i>
Halling Primary School	107	<i>59</i>
Sedley's Church of England Primary School	43	<i>7</i>
Total	1,656	<i>1,106</i>

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Notes to the Financial Statements
For the Year Ended 31 August 2023

17. Tangible fixed assets

	Long-term leasehold property £000	Plant and machinery £000	Computer equipment £000	Total £000
Cost				
At 1 September 2022	7,004	1,960	782	9,746
Additions	334	192	175	701
At 31 August 2023	<u>7,338</u>	<u>2,152</u>	<u>957</u>	<u>10,447</u>
Depreciation				
At 1 September 2022	-	399	480	879
Charge for the year	31	186	184	401
At 31 August 2023	<u>31</u>	<u>585</u>	<u>664</u>	<u>1,280</u>
Net book value				
At 31 August 2023	<u>7,307</u>	<u>1,567</u>	<u>293</u>	<u>9,167</u>
At 31 August 2022	<u>7,004</u>	<u>1,561</u>	<u>302</u>	<u>8,867</u>

Included in land and buildings is freehold land at valuation of £136k and leasehold land at valuation of £2,265k, which are not depreciated.

18. Debtors

	2023 £000	2022 £000
Trade debtors	142	99
Other debtors	312	794
Prepayments and accrued income	804	744
	<u>1,258</u>	<u>1,637</u>

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19. Creditors: Amounts falling due within one year

	2023	<i>2022</i>
	£000	<i>£000</i>
Other loans	10	13
Trade creditors	223	154
Other taxation and social security	352	343
Other creditors	420	381
Accruals and deferred income	662	918
	<u>1,667</u>	<u>1,809</u>
	2023	<i>2022</i>
	£000	<i>£000</i>
Deferred income at 1 September 2022	422	260
Resources deferred during the year	361	422
Amounts released from previous periods	(422)	(260)
	<u>361</u>	<u>422</u>

At the balance sheet date the Academy Trust was holding funds received in advance of the 2023/24 academic year for ESFA UIFSM, school trips, lettings and catering income.

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

	2023	<i>2022</i>
	£000	<i>£000</i>
Other loans	57	63

The other loans balance above and in note 19 comprises: interest free Salix loan funding from the DfE of £44k in respect of five capital projects; an interest free nursery loan (Halling Primary School) of £23k from Medway Council - this loan was transferred to the Trust when the school joined on 1 January 2022.

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2023	<i>2022</i>
	£000	<i>£000</i>
Payable or repayable by instalments	7	12
	<u>7</u>	<u>12</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2023

21. Statement of funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
General Fund	2,130	1,374	(643)	(7)	-	2,854
Restricted general funds						
General Annual Grant (GAG)	1,055	20,500	(20,845)	(465)	-	245
Other DfE/ESFA	180	3,979	(4,073)	-	-	86
Other government	46	1,098	(1,101)	-	-	43
Other restricted	-	235	(235)	-	-	-
Other DfE/ESFA Covid-19	34	258	(292)	-	-	-
Pension reserve	(1,655)	-	(271)	-	1,926	-
	(340)	26,070	(26,817)	(465)	1,926	374
Restricted fixed asset funds						
Fixed assets	8,867	-	(401)	701	-	9,167
Capital grants and donations	1,067	1,351	(987)	(238)	-	1,193
Salix loan	(53)	-	-	9	-	(44)
	9,881	1,351	(1,388)	472	-	10,316
Total Restricted funds	9,541	27,421	(28,205)	7	1,926	10,690
Total funds	11,671	28,795	(28,848)	-	1,926	13,544

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Notes to the Financial Statements
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21. Statement of funds (continued)

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

General Annual Grant ("GAG") must be used for the normal running costs of the Academy Trust.

The other DfE/ESFA grant fund is used to track non-GAG revenue grant funding received from the DfE/ESFA and connected bodies, and principally included the material grants detailed separately in note 7.

The other government grants fund is used to track grants provided by government departments, including the Local authority.

The other restricted fund is used to track catering income and expenditure as well as any non-government grant restricted income.

Other Covid funding relates to grants provided by the DfE to support schools with the costs associated post Covid. These include Recovery Premium and National Tutoring Programme grants.

The pensions reserve is a restricted fund to account for the Local Government Pension Scheme movements.

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The total transfer to the fund of £472k represents capital expenditure funded by revenue reserves and the movement in the Salix loan balance.

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

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Notes to the Financial Statements
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21. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2022 £000</i>
Unrestricted funds						
General Fund	1,351	1,004	(644)	419	-	2,130
Transfer in from existing academy	-	218	-	(218)	-	-
	<u>1,351</u>	<u>1,222</u>	<u>(644)</u>	<u>201</u>	<u>-</u>	<u>2,130</u>
Restricted general funds						
General Annual Grant (GAG)	975	19,339	(18,949)	(310)	-	1,055
Other DfE/ESFA	217	1,943	(1,980)	-	-	180
Other government	218	1,174	(1,346)	-	-	46
Other restricted	-	241	(241)	-	-	-
Catch up premium	66	-	(66)	-	-	-
Other DfE/ESFA Covid-19	26	215	(207)	-	-	34
Transfer in from existing academy	-	137	-	(137)	-	-
Pension reserve	(9,704)	(1,661)	(1,799)	-	11,509	(1,655)
	<u>(8,202)</u>	<u>21,388</u>	<u>(24,588)</u>	<u>(447)</u>	<u>11,509</u>	<u>(340)</u>
Restricted fixed asset funds						
Fixed assets	1,250	34	(288)	7,871	-	8,867
Capital grants and donations	1,661	1,952	(2,231)	(315)	-	1,067
Salix loan	(23)	(24)	-	(6)	-	(53)
Transfer in from existing academy	-	7,304	-	(7,304)	-	-
	<u>2,888</u>	<u>9,266</u>	<u>(2,519)</u>	<u>246</u>	<u>-</u>	<u>9,881</u>
Total Restricted funds	<u>(5,314)</u>	<u>30,654</u>	<u>(27,107)</u>	<u>(201)</u>	<u>11,509</u>	<u>9,541</u>
Total funds	<u>(3,963)</u>	<u>31,876</u>	<u>(27,751)</u>	<u>-</u>	<u>11,509</u>	<u>11,671</u>

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Notes to the Financial Statements
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21. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023	<i>2022</i>
	£000	<i>£000</i>
St George's Church of England School	836	<i>672</i>
St Botolph's Church of England Primary School	513	<i>623</i>
Shorne Church of England Primary School	106	<i>102</i>
Horton Kirby Church of England Primary School	7	<i>102</i>
Stone St. Mary's Church of England Primary School	738	<i>572</i>
Sutton-at-Hone Church of England Primary School	257	<i>280</i>
Rosherville Church of England Primary School	73	<i>104</i>
Holy Trinity Church of England Primary School	(135)	<i>26</i>
Halling Primary School	136	<i>181</i>
Cliffe Woods Primary School	277	<i>306</i>
Sedley's Church of England Primary School	78	<i>105</i>
Central services	342	<i>372</i>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	3,228	<i>3,445</i>
Restricted fixed asset fund	10,316	<i>9,881</i>
Pension reserve	-	<i>(1,655)</i>
	<hr/>	<hr/>
Total	13,544	<i>11,671</i>
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the Financial Statements
For the Year Ended 31 August 2023

21. Statement of funds (continued)

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £000
Holy Trinity Church of England Primary School	135

In 2021/22 the previous Leadership at the school attempted to implement a specialist provision for High Needs pupils without the necessary funding. The Local Authority proceeded to admit such pupils to the school, so there was a need to increase staffing at a level which was not sustainable for the school. The school leadership delayed the bidding for high needs funding from the Local Authority, thus creating a funding gap. During the same period, a number of extra-curricular clubs and activities were introduced for which the funding was not sustainable. Although the extra-curricular activities were greatly reduced in 2022/23, the introduction of over 30 high needs pupils to the school continued to impact on 2022/23 finances. There was a high level of agency staff to cover High Needs pupils, staff absence and vacancies during the year.

The Academy Trust is taking the following action to return the academy to surplus:

A new Headteacher was employed by the Trust from 1 September 2022. Non-sustainable clubs were stopped. The Trust has reviewed staffing levels with a plan to reduce costs moving forward. A full review of non-staffing costs identified areas of further savings, such as grounds maintenance and learning resources. The Trust is supporting the school with buildings improvements through the School Condition Allocation, to keep the use of school reserves for this purpose to a minimum. In 2022/23 the Trust intervened to engage a specialist solely focused on producing funding applications to the Local Authority. A new SENCO was employed at the school in the Summer Term 2023. An unprecedented level of High Needs pupils remain at the school and reserves are dependent upon High Needs funding being approved by the Local Authority. The Trust has introduced a Central Team taskforce to support the school, including school improvement, HR, IT and operations and governance professionals, as well as finance.

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Notes to the Financial Statements
For the Year Ended 31 August 2023

21. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2023 £000	<i>Total 2022 £000</i>
St George's Church of England School	5,351	828	892	1,206	8,277	8,363
St Botolph's Church of England Primary School	1,636	222	150	291	2,299	2,274
Shorne Church of England Primary School	741	89	76	135	1,041	988
Horton Kirby Church of England Primary School	948	92	111	150	1,301	1,337
Stone St. Mary's Church of England Primary School	1,860	199	285	534	2,878	2,755
Sutton-at-Hone Church of England Primary School	1,451	277	120	300	2,148	1,965
Rosherville Church of England Primary School	667	76	98	107	948	893
Holy Trinity Church of England Primary School	1,731	317	165	304	2,517	2,364
Halling Primary School	1,255	200	98	266	1,819	1,188
Cliffe Woods Primary School	1,434	224	108	374	2,140	1,368
Sedley's Church of England Primary School	383	42	68	73	566	140
LGPS	-	271	-	-	271	1,799
Central services	588	857	80	717	2,242	2,029
Academy Trust	18,045	3,694	2,251	4,457	28,447	27,463

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Notes to the Financial Statements
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22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	9,167	9,167
Current assets	2,906	2,002	1,193	6,101
Creditors due within one year	(52)	(1,605)	(10)	(1,667)
Creditors due in more than one year	-	(23)	(34)	(57)
Total	2,854	374	10,316	13,544

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £000</i>	<i>Restricted funds 2022 £000</i>	<i>Restricted fixed asset funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Tangible fixed assets	-	-	8,867	8,867
Current assets	2,199	3,065	1,067	6,331
Creditors due within one year	(49)	(1,750)	(10)	(1,809)
Creditors due in more than one year	(20)	-	(43)	(63)
Provisions for liabilities and charges	-	(1,655)	-	(1,655)
Total	2,130	(340)	9,881	11,671

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Notes to the Financial Statements
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23. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2023	<i>2022</i>
	£000	<i>£000</i>
Net (expenditure)/income for the year (as per Statement of financial activities)	(53)	4,125
Adjustments for:		
Depreciation	401	288
Capital grants from DfE and other capital income	(1,351)	(1,928)
Defined benefit pension scheme obligation inherited	-	1,661
Defined benefit pension scheme cost less contributions payable	218	1,629
Defined benefit pension scheme finance cost	53	170
Increase in stocks	(5)	(22)
Decrease/(increase) in debtors	379	(801)
(Decrease)/increase in creditors	(139)	285
Transfer in of assets from existing academy trust	-	(6,366)
Net cash used in operating activities	(497)	(959)

24. Cash flows from financing activities

	2023	<i>2022</i>
	£000	<i>£000</i>
Cash inflows from new borrowing	-	24
Repayments of borrowing	(9)	(8)
Loan transferred in from existing academy trust	-	37
Net cash (used in)/provided by financing activities	(9)	53

25. Cash flows from investing activities

	2023	<i>2022</i>
	£000	<i>£000</i>
Purchase of tangible fixed assets	(701)	(1,539)
Capital grants from DfE Group	1,260	1,898
Capital funding received from sponsors and others	91	30
Net cash provided by investing activities	650	389

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Notes to the Financial Statements
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26. Analysis of cash and cash equivalents

	2023	<i>2022</i>
	£000	<i>£000</i>
Cash in hand and at bank	4,788	4,644

27. Analysis of changes in net debt

	At 1 September 2022	Cash flows	Other non- cash changes	At 31 August 2023
	£000	£000	£000	£000
Cash at bank and in hand	4,644	144	-	4,788
Debt due within 1 year	(13)	9	(6)	(10)
Debt due after 1 year	(63)	-	6	(57)
	<u>4,568</u>	<u>153</u>	<u>-</u>	<u>4,721</u>

28. Capital commitments

	2023	<i>2022</i>
	£000	<i>£000</i>
Contracted for but not provided in these financial statements		
Purchase, construction or development of property	202	224

29. Pension commitments

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 Kent County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £414,000 were payable to the schemes at 31 August 2023 (2022 - £375,000) and are included within creditors.

Teachers' Pension Scheme

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

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

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29. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% 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 £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The revised employer contribution rate, arising from the 2020 valuation, is due to be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the year amounted to £2,393,000 (2022 - £2,091,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,520,000 (2022 - £1,216,000), of which employer's contributions totalled £1,204,000 (2022 - £959,000) and employees' contributions totalled £316,000 (2022 - £257,000). The agreed contribution rates for future years are 22.5 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.95
Rate of increase for pensions in payment/inflation	2.90	2.95
Discount rate for scheme liabilities	5.30	4.25
Inflation assumption (CPI)	2.90	2.95

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

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29. Pension commitments (continued)

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

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	(281)	(342)
Discount rate -0.1%	289	351
Mortality assumption - 1 year increase	391	399
Mortality assumption - 1 year decrease	(380)	(388)
CPI rate +0.1%	277	325
CPI rate -0.1%	(269)	(317)

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	At 31 August	<i>At 31 August</i>
	2023	2022
	£000	£000
Equities	9,353	8,289
Gilts	86	73
Corporate bonds	2,035	1,673
Property	1,485	1,487
Cash and other liquid assets	155	215
Investment funds	516	910
Infrastructure	558	-
Total market value of assets	14,188	12,647

The actual return on scheme assets was £(96,000) (2022 - £(230,000)).

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Notes to the Financial Statements
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29. Pension commitments (continued)

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

	2023	2022
	£000	£000
Current service cost	(1,422)	(2,582)
Interest income	565	194
Interest cost	(610)	(364)
Administrative expenses	(8)	(6)
Transferred in on existing academies joining the trust	-	(1,628)
Transfer in on converter academies	-	(33)
Total amount recognised in the Statement of Financial Activities	(1,475)	(4,419)

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

	2023	2022
	£000	£000
At 1 September	14,302	19,740
Transfer in on converter academies	-	76
Transferred in on existing academies joining the trust	-	3,431
Current service cost	1,422	2,582
Interest cost	610	364
Employee contributions	316	257
Actuarial gains	(2,232)	(11,933)
Benefits paid	(230)	(215)
At 31 August	14,188	14,302

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

	2023	2022
	£000	£000
At 1 September	12,647	10,036
Transfer in on converter academies	-	43
Transferred in on existing academies joining the trust	-	1,803
Interest income	565	194
Actuarial losses	(306)	(424)
Employer contributions	1,204	959
Employee contributions	316	257
Benefits paid	(230)	(215)
Administration expenses	(8)	(6)
At 31 August	14,188	12,647

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Notes to the Financial Statements
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30. Operating lease commitments

At 31 August 2023 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	<i>2022</i>
	£000	<i>£000</i>
Not later than 1 year	21	41
Later than 1 year and not later than 5 years	28	33
	<u>49</u>	<u>74</u>

31. Members' liability

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

32. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the Academy Trust received £15k and disbursed £20k from the fund. An amount of £Nil is included in other creditors relating to undistributed funds that is repayable to ESFA. Comparatives for the accounting period ending 31 August 2022 are £12k received, £17k disbursed and £5k included in other creditors.

33. Post balance sheet events

On 1 November 2023, Ditton Church of England Junior School joined the Academy Trust.

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34. Related party transactions

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

The following related party transactions took place during the year:

Expenditure related party transactions:

(1) Diocese of Rochester

The Rochester Diocesan Board of Education is a member of the Academy Trust. During the year the Academy Trust incurred a total cost of £6,929 (2022 - £4,608) in transactions with the Diocese of Rochester. The costs this year relate to payments under a service level agreement for training and other education matters as well as payments for training and courses which the trustees consider that only the Diocese of Rochester could provide. This was conducted in accordance with the requirements of the Academy Trust Handbook and the ESFA was notified. The services provided were provided at no more than cost.

(2) Employment of close family members:

Under FRS 102 the close family of members or trustees of the Academy Trust, or of key management personnel, are deemed to be related parties.

During the year the following close family members of such individuals were employed by the trust and paid a salary under an employment contract for their individual roles:

- L. Carey (formerly Sisterson), the partner of the CEO, Mr. S. Carey, was employed as a teacher.
- J. Chitty, the daughter of the Headteacher of one of the trust's academies, was employed as a teaching assistant until 31.12.2022.
- L. Pollard, the spouse of the Headteacher of one of the trust's academies, was employed as an assistant headteacher.
- N. Seath, the daughter of the CFO, Mr. T. Seath, was employed as a finance apprentice.
- S. Till, the son of a Trustee, Mr. M. Till, was employed as a teacher in one of the trust's academies until 31.8.2023.
- N. Higham, the mother of the School Improvement Officer, Mrs. S. Prest, was employed as a SENCO Admin Support.

In each case, the relevant connected individual had no involvement in the appointment of their close family member and the Board of Directors are comfortable that each salary provides value for money and is not at a preferential rate.

Income related party transactions:

The PTFAs made donations to the following schools in the Trust:

- St. George's - £5,393 (2022: £Nil)
- Shorne - £5,252 (2022 - £450)
- Horton Kirby - £13,379 (2022 - £4,581)
- St Botolph's - £Nil (2022 - £2,5031)
- Sutton-at-Hone - £13,885 (2022 - £7,000)
- Halling - £16,945 (2022 - £3,535)
- Sedley's - £4,940 (2022 - £400)
- Cliffe Woods - £13,810 (2022 - £5,650)
- Holy Trinity - £790 (2022 - £85)