

**Company Registration Number: 07801612 (England & Wales)**

**Aletheia Anglican Academies Trust**  
**(A company limited by guarantee)**

**Annual Report and Financial Statements**

**For the Year Ended 31 August 2021**

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**Aletheia Anglican Academies Trust**  
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**Reference and Administrative Details**  
**For the Year Ended 31 August 2021**

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<b>Members</b>	Area Dean of Gravesend (The Rev. N.I. Bourne) Archdeacon of Rochester (The Rev. A. Wooding Jones) Bishop of Rochester (The Right Reverend J. Langstaff to 31 July 2021 (retired) - Position vacant Chair of Trustees (Mr. A.J. Smith) Rochester Diocesan Board of Education (Mr J. Constanti)
<b>Trustees</b>	Mr. A.J. Smith, Chair of Trustees Mr. S. Carey, Accounting Officer * Mr. R. Hicks * Mr. W. Johnson * Mr. J. King Mrs. H. Overton Mrs. J. Barker-Platt * Mr. J. Holt * Mr. M. Till (appointed 19 October 2020) *  * Members of the Audit & Risk Committee
<b>Company registered number</b>	07801612 (England and Wales)
<b>Principal and registered office</b>	Saint George's Church of England School, Meadow Road Gravesend, Kent DA11 7LS
<b>Senior Management Team</b>	Mr. S. Carey, Chief Executive 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 Mr. T. Seath, Chief Finance Officer Ms. S. Tunnichiffe, Senior Improvement Officer (ended 31 August 2021) Mr. N. Thomas, Operations Officer Mrs. H. Overton, Senior Improvement Officer (temporary 01 September 2020 to 31 August 21) Mr. A. Oldershaw, Senior Trust Improvement Officer (appointed 22 February 2021)
<b>Independent auditors</b>	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants, Statutory Auditors Thames House Roman Square Sittingbourne Kent. ME10 4BJ
<b>Bankers</b>	Lloyds Bank 78 New Road, Gravesend Kent DA11 0AR
<b>Solicitors</b>	Stone King LLP Boundary House 91 Charterhouse Street Clerkenwell London EC1M 6HR

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**Trustees' Report**  
**For the Year Ended 31 August 2021**

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The Trustees present their annual report together with the financial statements and auditor's report of the Academy trust for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Academy Trust operates 7 primary academies and 1 all-through academy in North West Kent. Its academies have a combined pupil capacity of 3,907\* and had a roll of 3,789 in the October 2020 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 Anglican 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 15 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 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 5 times and as a sub-committee on 6 occasions. There were a minimum of 3 full Local Governing Body meetings held at each Academy plus various committee meetings.

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 ~~four~~ 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; holds the executive to account for the performance of academies and their pupils and staff; oversee the Trust's financial performance. They provide direction to the Local Governing Bodies, which are responsible for performance of the individual academies and the use of their budgets.

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**Trustees' Report**  
**For the Year Ended 31 August 2021**

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The Management Board comprises the CEO/Accounting Officer, all Head Teachers & Heads of School, Senior Improvement Officers, Chief Finance Officer and Operations Officer. 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 it 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 Trustees and Senior Management Team as disclosed on page 1.

Only staff Trustees are remunerated and these individuals only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as Trustees. Specific disclosures concerning staff Trustees' remuneration is included in note 14.

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(d).

**Trade union facility time**

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

**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 33).

**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 commenced on 22 February 2021. This was postponed owing to Covid-19 but will commence in Autumn 2020. All employees have an individual workplace email account which has proved crucial for communication in recent times (Covid-19).

There are Trust-wide CPD groups and support networks such as the Deputy Headteacher Group and Finance Forum.

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.

**Trustees' Report**  
**For the Year Ended 31 August 2021**

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## **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 academies are motivated by Christian values to serve our communities by improving the life chances of local children. 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 a Church of England ethos based on a belief in the value and potential of every student to become fully the person God intends.
- 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.

### **Objectives, Strategies and Activities**

The main objectives of the Academy Trust during the year ended 31 August 2021 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.

### **Public Benefit**

The Aletheia Anglican Academies Trust strives to promote and support the advancement of education within the North West Kent area. The academies provide an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in academic and practical subjects such as music, the arts and sport. For example, the academies collaborate to provide mathematics, languages and physical education support.

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 including 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.

**Trustees' Report**  
**For the Year Ended 31 August 2021**

**STRATEGIC REPORT**

**Achievement and Performance**

As in 2019/20, owing to the period of school closure caused by Covid-19, Secondary school results were centre-assessed grades benchmarked to the assessment of the previous year.

*Secondary results:*

<b>GCSE</b>	<b>2021</b>	<b>2020</b>
Basics 4+	71%	66%
Basics 5+	40%	46%
Attainment 8	46.89	45.54
Progress 8	-	-
EBacc	21.2%	19.7%
<b>A Level</b>	<b>2021</b>	<b>2020</b>
3 A*-E	54%	42%
2 A*-E	93%	83%
1 A*-E	100%	98.8%
Value Added	-	-

As in 2019/20, owing to the period of school closure caused by Covid-19, no results were published for Primary attainment. A reminder of previously reported Primary performance is provided below.

Primary data averages:

	<u>2018/19 School (National)</u>	<u>2017/18 School (National)</u>
EYFS	73.1% (71.8%)	76.3% (71.5%)
KS1 Phonics Screening	84.8% (81.9%)	82.0% (81.2%)
Year 2 Phonics Retakes	55.0% (56.0%)	71.67% (60.8%)
KS1 Reported Data: Expected Standard Reading	74.0% (74.9%)	81.3% (69.9%)
KS1 Reported Data: Expected Standard Writing	72.6% (69.2%)	75.3% (68.2%)
KS1 Reported Data: Expected Standard Maths	77.5% (75.6%)	82.7% (76.1%)
KS2 Reported Data: Combined Expected	70.0% (65.0%)	78.3% (64.0%)
KS2 Reported Data: Combined Greater Depth	12.5% (10.0%)	10.25% (10%)

**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:

	<b>Unit</b>	<b>2021</b>	<b>2020</b>
Student Numbers: Comparison with Published Admission Numbers (PAN = 3,289)	Pupil	3,793	3,268
Financial stability (revenue fund balances)	£	2,853,000	2,001,000
% of total spend on staff pay	%	74.2	78.3
% of total spend on teaching staff pay	%	50.8	55.7
% of total spend on curriculum support staff pay	%	13.1	13.0
% of total spend on non-curriculum support staff pay	%	10.3	9.6
Pupil - teacher ratio (Primary)	Pupil	22.0	22.6
Pupil - teacher ratio (Secondary)	Pupil	15.3	16.2
Average teacher cost (including on-costs)	£	50,765	45,948
Teacher contact ratio		0.78	0.80
Average class size	Pupil	27.3	28

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**Going Concern**

The Board of Trustees has reviewed the ESFA good practice factsheet on Going Concern and 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 2021 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 £21.20m, an increase on the £19.52m in the prior year. These totals include capital funding of £1.99m and £3.63m respectively.

As explained in note 27, Holy Trinity Church of England Primary School converted to academy status and joined the Academy Trust on 1 November 2020. At this point in time Holy Trinity held cash funds of £245k and these were transferred into the Academy Trust and are reflected as a donation on the SoFA and note 3.

Excluding these items, revenue income for the year relating to the day-to-day running of the Academy Trust's academies was therefore £18.97m compared to £15.89m in the prior year. Most of this income is detailed in note 4, which shows that much of the increase relates to the rise of £2.37m in core General Annual Grant funding. There has also been a significant rise in other government grant income, and the Academy Trust received £335k of specific Covid-19 funding from the DfE to help with its response to the pandemic.

The SoFA shows total expenditure for the year of £24.53m leaving net expenditure for the year of £3.33m. The overall movement in funds for the year, after actuarial losses on the Local Government Pension Scheme of £940k, was a reduction of £4.27m (2020: increase of £2.22m).

Since this overall reduction in funds includes the impact of movements on pension and capital transactions, it does not represent the outturn on revenue income funds. This result is not specifically shown on the SoFA, and hence the table below has been included to reconcile from the SoFA movement in funds to the increase in revenue funds for the year of £852k:

	2021 (£000s)	2020 (£000s)
Overall net movement in funds for the year per SOFA	(4,273)	2,217
(Increase) / decrease attributable to fixed asset fund	3,094	(3,156)
LGPS actuarial loss / (gain)	940	677
LGPS service and interest costs	1,091	675
<b>Movement on revenue funds during the year</b>	<b>852</b>	<b>413</b>
Less: Holy Trinity revenue funds transferred in on conversion	(245)	-
Add: Transfers from revenue to capital to fund fixed asset additions and Salix loan repayments	417	186
<b>Operational surplus on revenue funds before transfers to capital</b>	<b>1,024</b>	<b>599</b>

During 2020/21 the Academy Trust chose to invest £406k 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 2021, the net book value of fixed assets was £1.25m and movements in tangible fixed assets are shown in note 16 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.

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.



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**Trustees' Report**  
**For the Year Ended 31 August 2021**

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**Financial position**

Since all of the Academy Trust's constituent academies are church academies, the main school land and buildings are not recognised on the balance sheet (see accounting policy 1.7). Since the balance sheet carries the Academy Trust's share of the LGPS deficit, £8.8m, the Academy Trust's total funds are in deficit by £3.085m. This deficit on the LGPS pension reserve, and the overall deficit, is not a concern since it does not mean that an immediate liability crystallises. The pension deficit can be described as an accounting deficit which has no direct effect on the employer contribution rate paid by the school, 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 multi-Academy Trust are set, with incremental annual adjustments, until 1 April 2023.

The pension reserve is the only fund in deficit. Alongside this the Academy Trust holds:

- restricted fixed asset funds of £2.89m (2020: £5.98m) 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 £1.50m (2020: £977k) which are detailed in note 20 and relate to unspent government grant monies relating to core funding.
- Completely 'free' unrestricted reserves of £1.35m (2020: £1.02m) which the trustees are free to spend as they see fit in accordance with the Academy Trust's charitable objects.

**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 (set and manage 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.

**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.

**Principal Risks and Uncertainties**

Nick Thomas, 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 to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

- *Reputational* - this covers risks to its performance in delivering the curriculum.
- *Operational* - there are two principal operational risks and uncertainties relating to the Trust.

The future level of funding of primary and secondary education is uncertain in the current economic climate. The Trustees also set prudent budgets to enable the academies to react to changes in funding levels, if necessary.

The finances of the academies are highly sensitive to the number of pupils who are enrolled each year. The Trustees and principals are confident that the examination successes, enhanced reputations of their academies and the local need for places will enable them to attract an increased number of pupils. Projected pupil numbers and the associated financial implications are closely monitored by Trustees and Academy staff.

**STREAMLINED ENERGY AND CARBON REPORTING**

UK Greenhouse gas emissions and energy use data	period 1 September 2020 to 31 August 2021	period 1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	3,078,355	1,870,284
Energy consumption break down (kWh)		
i. gas,	i. 1,880,259	i. 1,042,413
ii. electricity,	ii. 1,192,781	ii. 824,976
iii. transport fuel	iii. 5,315	iii. 3,396

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	<b>period 1 September 2020 to 31 August 2021</b>	<b>period 1 September 2019 to 31 August 2020</b>
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	344.39	191.67
Owned transport – mini-buses	2.72	0.31
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	253.26	192.33
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	3.44	0.64
<b>Total gross emissions in metric tonnes CO2e</b>	<b>603.81</b>	<b>384.96</b>
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	<b>1.13</b>	<b>0.12</b>

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 Anglican 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. Holy Trinity CE Primary School, Gravesend converted to academy status on 1 November 2020 and joined the Trust. Our new All- through Free School to be sited within the new Ebbsfleet Garden City Development is due to open in September 2024. Rosherville CEP is due to be relocated to a new-build school in 2024, increasing its capacity from 0.6FE to 2.0FE. Construction of a new teaching block will be completed Autumn 2021 allowing Saint George’s secondary phase an increased year 7 intake of up to 30 pupils. Work is in progress for two existing primary academies and one converting primary

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school to join the Trust during 2021/22. 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 33 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.

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:



**Mr. A.J. Smith**  
Chairman of Trustees



**Mr. S. Carey**  
Chief Executive Officer and Accounting Officer

Date: 9 December 2021

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**Governance Statement**  
**For the Year Ended 31 August 2021**

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**Scope of Responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Aletheia Anglican 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 Anglican 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 5 times plus 3 Audit 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>
J Barker-Platt	4	5
S Carey	5	5
R Hicks	5	5
J Holt	5	5
J Johnson	5	5
J King	5	5
H Overton	5	5
A Smith	5	5
M Till	4	4

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 Academies Financial 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 use of external expertise in a supported self-review is planned during 2022. This has been postponed in recent times due to the impact of COVID-19.

**Governance reviews**

A new Trustee, Mark Till, Managing Director was appointed in October 2020 and agreed to be a member of the Audit, Risk & Finance Committee. Prior to 31 August 2021, the process leading to the appointment of Dr Ajay Sharman, Regional Lead STEM Learning, as Trustee had commenced.

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.

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**Aletheia Anglican Academies Trust**  
**(A company limited by guarantee)**

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**Governance Statement**  
**For the Year Ended 31 August 2021**

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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>
J Barker-Platt	3	3
S Carey	3	3
R Hicks	3	3
J Holt	3	3
W Johnson	1	3
M Till	3	3

### **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.

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) and enabled cost savings through economies of scale through shared administration and procurement costs (e.g. Insurance / HR & payroll / staff recruitment / financial services / IT and reprographics).

**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).

**Financial Governance and Management:** Financial governance and oversight is robust. Each Academy produces a 3year 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 two internal control audits were reported as at 31 January and 31 May 2021.

### **Capacity to Handle Risk**

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

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**Aletheia Anglican Academies Trust**  
**(A company limited by guarantee)**

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**Governance Statement**  
**For the Year Ended 31 August 2021**

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**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 Education Financial Service.

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. 2020/21 internal auditor 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.

Two out of three internal control audits were completed during 2020/21, due to delays in the appointment of a new auditor. 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:

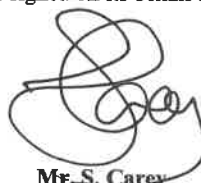
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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:



**Mr. A.J. Smith**  
Chairman of Trustees



**Mr. S. Carey**  
Chief Executive Officer and Accounting Officer

Date: 9 December 2021

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**Aletheia Anglican Academies Trust**  
**(A company limited by guarantee)**

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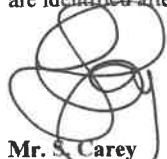
**Statement on Regularity, Propriety and Compliance**

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As accounting officer of Aletheia Anglican 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 received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of 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 Academies Financial Handbook 2020.

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



**Mr. S. Carey**  
Accounting Officer

Date: 09 DECEMBER 2021

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**Aletheia Anglican Academies Trust**  
**(A company limited by guarantee)**

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**Statement of Trustees' responsibilities**  
**For the Year Ended 31 August 2021**

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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 2020 to 2021;
- 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:



**Mr. A.J. Smith**  
Chair of Trustees

Date: 09 DECEMBER 2021



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

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**Opinion**

We have audited the financial statements of Aletheia Anglican Academies Trust (the 'academy trust') for the year ended 31 August 2021 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 2020 to 2021 issued by the Education and Skills Funding Agency.

The academy trust procured a combined Local Government Pension Scheme (LGPS) report, via Kent County Council, to show the movement in the year and the carried pension deficit as at 31 August 2021. For reasons outside of the academy trust's control the report was not made available by the actuary until 30 November, and then, on review, it was noted that the report did not include any liabilities in respect of Holy Trinity School, which joined the academy trust on 1 November 2020. When this was queried discussions with the actuary made it clear that a revised report would not be issued in time to enable the additional liability to be included and financial statements to be submitted to the Education Skills and Funding Agency before their 31 December 2021 deadline. The Trustees consequently reluctantly agreed to finalise the financial statements without this information, and thus showing only the movement in the pension deficit for the academy trust's other academies.

With the likelihood that the Holy Trinity School liability would be material to the academy trust's financial statements, we have been unable to satisfy ourselves that the pension liability shown on the Balance Sheet is not materially misstated.

Except for the effects of any increased pension liability, if the Holy Trinity School deficit had been included, 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 2021 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 2020 to 2021 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.

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

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**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the 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 Trustees' responsibilities statement, 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 Academies Financial 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.

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**Aletheia Anglican Academies Trust**  
(A company limited by guarantee)

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

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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.

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](http://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: 17 December 2021

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

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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 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aletheia Anglican Academies Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Aletheia Anglican 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 Anglican 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 Anglican Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Aletheia Anglican Academies Trust's funding agreement with the Secretary of State for Education dated 10 November 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

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 Anglican Academies Trust for the year ended 31 August 2021 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to 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.

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**Aletheia Anglican Academies Trust**  
**(A company limited by guarantee)**

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

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



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

Date: 17 December 2021

**Aletheia Anglican Academies Trust**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**  
**For the Year Ended 31 August 2021**

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
	Note					
<b>Income from:</b>						
Donations and capital grants	3	290	-	1,987	2,277	3,684
Other trading activities	5	268	-	-	268	257
Investments	6	-	-	-	-	2
Funding for educational operations	4	114	18,542	-	18,656	15,580
<b>Total income</b>		<b>672</b>	<b>18,542</b>	<b>1,987</b>	<b>21,201</b>	<b>19,523</b>
<b>Expenditure on:</b>						
Raising funds		28	-	-	28	26
Charitable activities	9	226	18,782	5,498	24,506	16,603
<b>Total expenditure</b>		<b>254</b>	<b>18,782</b>	<b>5,498</b>	<b>24,534</b>	<b>16,629</b>
<b>Net income/(expenditure)</b>		<b>418</b>	<b>(240)</b>	<b>(3,511)</b>	<b>(3,333)</b>	<b>2,894</b>
Transfers between funds	20	(91)	(326)	417	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>327</b>	<b>(566)</b>	<b>(3,094)</b>	<b>(3,333)</b>	<b>2,894</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	30	-	(940)	-	(940)	(677)
<b>Net movement in funds</b>	20	<b>327</b>	<b>(1,506)</b>	<b>(3,094)</b>	<b>(4,273)</b>	<b>2,217</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,024	(5,818)	5,982	1,188	(1,029)
Net movement in funds		327	(1,506)	(3,094)	(4,273)	2,217
<b>Total funds carried forward</b>		<b>1,351</b>	<b>(7,324)</b>	<b>2,888</b>	<b>(3,085)</b>	<b>1,188</b>

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

The notes on pages 23 to 51 form part of these financial statements.

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

**Balance Sheet**  
**As at 31 August 2021**


	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	16	1,250	714
<b>Current assets</b>			
Stocks		28	35
Debtors	17	888	475
Cash at bank and in hand		5,161	7,803
		<u>6,077</u>	<u>8,313</u>
Creditors: amounts falling due within one year	18	(1,569)	(1,021)
<b>Net current assets</b>		<u>4,508</u>	<u>7,292</u>
<b>Total assets less current liabilities</b>		<u>5,758</u>	<u>8,006</u>
Creditors: amounts falling due after more than one year	19	(17)	(23)
<b>Net assets excluding pension liability</b>		<u>5,741</u>	<u>7,983</u>
Defined benefit pension scheme liability	30	(8,826)	(6,795)
<b>Total net assets</b>		<u><u>(3,085)</u></u>	<u><u>1,188</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	2,888	5,982
Restricted income funds	20	1,502	977
		<u>4,390</u>	<u>6,959</u>
Restricted funds excluding pension liability	20	4,390	6,959
Pension reserve	20	(8,826)	(6,795)
		<u>(4,436)</u>	<u>164</u>
<b>Total restricted funds</b>	20	(4,436)	164
<b>Unrestricted income funds</b>	20	1,351	1,024
		<u>(3,085)</u>	<u>1,188</u>
<b>Total funds</b>		<u><u>(3,085)</u></u>	<u><u>1,188</u></u>

The financial statements on pages 20 to 51 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Mr. A.J. Smith



Date: 09<sup>TH</sup> DECEMBER 2021



Mr. S. Carey

The notes on pages 23 to 51 form part of these financial statements.

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**Aletheia Anglican Academies Trust**  
**(A company limited by guarantee)**

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**Statement of Cash Flows**  
**For the Year Ended 31 August 2021**

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	Note	2021 £000	2020 £000
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	22	(3,827)	580
<b>Cash flows from investing activities</b>	24	1,196	3,389
<b>Cash flows from financing activities</b>	23	(11)	(2)
<b>Change in cash and cash equivalents in the year</b>		(2,642)	3,967
Cash and cash equivalents at the beginning of the year		7,803	3,836
<b>Cash and cash equivalents at the end of the year</b>	25, 26	<u>5,161</u>	<u>7,803</u>

The notes on pages 23 to 51 form part of these financial statements



**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**1. 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.

**1.1 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

The Balance Sheet shows net liabilities of £3.085m when including the Local Government Pension Scheme liability. The trustees note that, as stated in note 30, 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. Furthermore, as explained in the financial position section of the Trustees' report on page 7, the LGPS deficit does not mean an immediate liability crystallises.

The Academy Trust has revenue reserves of £2.85m (2020 - £2.00m) across restricted and unrestricted income funds, with a correspondingly healthy cash position, which is more than efficient to meet operational needs and liabilities as they fall due. The trustees have therefore concluded that the inclusion of the pension scheme liability does not affect their assessment of going concern.

**1.3 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.

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**1. Accounting policies (continued)**

**1.3 Income (continued)**

• **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.

• **Donated goods, facilities and services**

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

• **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**

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 2020/21 the Academy Trust received ICT equipment from the Government under the free laptop and tablet scheme which has been accounted for this way.

**1.4 Expenditure**

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

• **Expenditure 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.

All expenditure is inclusive of irrecoverable VAT.

**1.5 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.

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**1. Accounting policies (continued)**

**1.6 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.

**1.7 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The Rochester Diocesan Board of Education own the legal title of the sites where the academy trust's land and buildings are situated, with the exception of certain land, mainly playing fields, at St George's Church of England School, which is owned by the academy trust. The trust therefore occupies the 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:

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.

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**1. Accounting policies (continued)**

**1.8 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement 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 17. 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 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.9 Operating leases**

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

**1.10 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.

**1.11 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.

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**1. Accounting policies (continued)**

**1.12 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

**2. 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 30, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 "Cloud/Sargeant judgements"**. These employment tribunal cases relate to all public sector pension schemes and not specifically to the academy trust. The cases relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material and a past service cost adjustment was made, within staff costs, in the trusts 2018/19 financial statements.

Since then a consultation has taken place. Then, on 13 May 2021, the Government issued a ministerial statement which confirms that changes will be made to the LGPS Regulations to compensate members directly affected by the change to career average benefits from 1 April 2014. The Government's intention is that revised regulations will come into force on 1 April 2023, and draft regulations are expected later in 2021.

In July 2021 the actuary has indicated that they do not believe there are any material differences between the approach underlying the estimated allowance and the proposed remedy, and therefore no further subsequent adjustment has been made.

**Aletheia Anglican Academies Trust**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**3. Income from donations and capital grants**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted fixed asset funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
Donated assets	-	84	84	-
Transfer from local authority on conversion	245	-	245	-
Donations	45	-	45	57
Capital grants	-	1,903	1,903	3,627
	<u>290</u>	<u>1,987</u>	<u>2,277</u>	<u>3,684</u>
<i>Analysis of 2020 total by fund</i>	<u>57</u>	<u>3,627</u>	<u>3,684</u>	

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**4. Funding for educational operations**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>As restated Total funds 2020 £000</i>
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	15,103	15,103	12,813
<b>Other DfE/ESFA grants</b>				
Pupil premium	-	741	741	659
Universal infant free school meals	-	331	331	297
PE & sports grant	-	138	138	131
Teachers' pay grant	-	198	198	176
Teachers' pension grant	-	571	571	497
Others	-	100	100	171
	-	17,182	17,182	14,744
<b>Other Government grants</b>				
Local authority SEN funding	-	286	286	194
Other local authority grants	-	652	652	249
	-	938	938	443
<b>Other income from educational operations</b>	114	87	201	393
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	277	277	-
Other DfE/ESFA COVID-19 funding	-	58	58	-
	-	335	335	-
	114	18,542	18,656	15,580
<i>Analysis of 2020 total by fund</i>	346	15,234	15,580	

Following the reclassification in the Academies Accounts Direction 2020 to 2021 of some grants received from the Department for Education and ESFA, this funding is now reported as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust received £277k of funding for catch-up premium to support pupils with catching up on missed learning caused by coronavirus (Covid-19). Costs incurred in respect of this funding totalled £211k, with the remaining £66k to be spent in 2021/22. The funding was spent in a variety of ways, including: Teacher interventions including bought in agency staff; small group and 1:1 teaching assistant providing literacy and numeracy support; online tutoring; counselling; books and revision guides; portable IT equipment; improvements to outdoor learning spaces; dog mentoring; and staff training.

Other Covid funding of £58k comprises (i) £33k of Covid mass testing grants, provided by the DfE to support schools with the costs associated with the coronavirus National Testing Programme and (ii) £25k Summer School grant for the costs of delivering the programme of activities during the school summer holidays.

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**5. Income from other trading activities**

	<b>Unrestricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
Before and after school clubs	106	106	128
Lettings	54	54	43
Uniform sales	22	22	16
Insurance claims	11	11	70
Other trading income	75	75	-
	<u>268</u>	<u>268</u>	<u>257</u>
<i>Analysis of 2020 total by fund</i>	<u>257</u>	<u>257</u>	

**6. Investment income**

	<b>Unrestricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
Bank interest	-	-	2
	<u>2</u>	<u>2</u>	
<i>Analysis of 2020 total by fund</i>	<u>2</u>	<u>2</u>	



**Aletheia Anglican Academies Trust**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**7. Expenditure**

	<b>Staff Costs</b>	<b>Premises</b>	<b>Other</b>	<b>Total</b>	<i>Total</i>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>
Expenditure on fundraising trading activities:					
Direct costs	-	-	28	28	26
Educational operations:					
Direct costs	12,624	-	1,356	13,980	11,836
Allocated support costs	3,098	1,135	1,008	5,241	4,424
	<u>15,722</u>	<u>1,135</u>	<u>2,392</u>	<u>19,249</u>	<u>16,286</u>
<i>Analysis of 2020 total</i>	<u>12,877</u>	<u>1,352</u>	<u>2,057</u>	<u>16,286</u>	

**8. Analysis of grants**

	<b>Grants to</b>	<b>Total</b>	<i>Total</i>
	<b>Institutions</b>	<b>funds</b>	<i>funds</i>
	<b>2021</b>	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<b>£000</b>	<i>£000</i>
Improvements to diocesan property occupied by the Academy Trust	5,285	5,285	343
<i>Analysis of 2020 total</i>	<u>343</u>	<u>343</u>	

The costs for both years represent works completed on the Academy Trust's 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 building.

The improvements during 2020/21 include:

Part completion of a new teaching and learning block and refurbishment of existing classrooms at Saint George's School, funded jointly from the DfE Condition Improvement Fund (CIF) and Local Authority Capital (Kent County Council Expansion Funding).

Part completion of a new heating and air conditioning system at Horton Kirby CEP funded from the Public Sector Decarbonisation Scheme.

Installation of a mobile classroom at Rosherville CEP (part funded by Kent County Council).

Various condition and health and safety improvements across the Trust, including roofing projects at several academies and completion of a new boiler installation at Shorne CEP.

**Aletheia Anglican Academies Trust**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**9. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
Educational operations	226	24,280	24,506	16,603
<i>Analysis of 2020 total by fund</i>	<i>299</i>	<i>16,304</i>	<i>16,603</i>	

**10. Analysis of expenditure by activities**

	<b>Direct costs 2021 £000</b>	<b>Grant funding of activities 2021 £000</b>	<b>Support costs 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
Educational operations	13,980	5,285	5,241	24,506	16,603
<i>Analysis of 2020 total</i>	<i>11,836</i>	<i>343</i>	<i>4,424</i>	<i>16,603</i>	

**Analysis of support costs**

	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
Staff costs	3,098	2,300
Technology costs	238	182
Premises costs	1,137	1,352
Legal costs - conversion	3	-
Legal costs - other	-	2
Governance costs	30	28
Other support costs	735	560
	<b>5,241</b>	<i>4,424</i>

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**11. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Operating lease rentals	36	51
Depreciation of tangible fixed assets	171	106
Fees paid to auditors for:		
- audit	17	17
- other services	8	7
	<u>          </u>	<u>          </u>

**12. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	11,085	9,195
Social security costs	977	829
Pension costs	3,470	2,687
	<u>          </u>	<u>          </u>
	15,532	12,711
Agency staff costs	190	136
Staff restructuring costs	-	30
	<u>          </u>	<u>          </u>
	15,722	12,877
	<u>          </u>	<u>          </u>

Staff restructuring costs comprise:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Redundancy payments	-	9
Severance payments	-	21
	<u>          </u>	<u>          </u>
	-	30
	<u>          </u>	<u>          </u>

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**12. Staff (continued)**

**b. Staff numbers**

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

	<b>2021</b>	<i>2020</i>
	<b>No.</b>	<i>No.</i>
Management	18	14
Teachers	189	172
Administration and support	252	208
	<u>459</u>	<u>394</u>

The average headcount expressed as full-time equivalents was:

	<b>2021</b>	<i>2020</i>
	<b>No.</b>	<i>No.</i>
Management	16	13
Teachers	177	154
Administration and support	170	134
	<u>363</u>	<u>301</u>

**c. Higher paid staff**

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

	<b>2021</b>	<i>2020</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	3	4
In the band £70,001 - £80,000	5	5
In the band £80,001 - £90,000	1	-
In the band £150,001 - £160,000	-	1
In the band £160,001 - £170,000	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 £1.198m (2020 - £1.02m). The increase on the prior year is predominantly attributable to a combination of inflationary pay increases, and an increase in the required employers' pension contributions payable for those enrolled in the Teachers' Pension Scheme.

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**Aletheia Anglican Academies Trust**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**13. 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 Officer, SENCO, Teacher Training Co-ordinator, CEO PA, Senior IT technician, IT Technician, Operations Officer, Chief Finance Officer and Finance Officer
- ICT provision
- Insurance
- Staff recruitment packages
- HR and payroll
- Premises compliance overview
- Capital project support
- Centralised procurement service
- Staff training & Apprenticeships
- Responsible officer and audit
- Rochester Diocese SLA
- Administrative expenses
- Policy review
- Governance support

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

Primary - 5.75% of General Annual Grant (GAG) funding.  
Secondary - 5.75% of General Annual Grant (GAG) funding.

The actual amounts charged during the year were as follows:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
St George's Church of England School	289	277
St Botolph's Church of England Primary School	128	96
Shorne Church of England Primary School	65	45
Horton Kirby Church of England Primary School	75	63
Stone St Mary's Church of England Primary School	143	128
Sutton-at-Hone Church of England Primary School	119	87
Rosherville Church of England Primary School	74	37
Holy Trinity Church of England Primary School	91	-
<b>Total</b>	<b>984</b>	<i>733</i>

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**14. Trustees' remuneration and expenses**

Two trustees, including the CEO, have been paid remuneration and received pension benefits from their employment with the Academy Trust. They only receive remuneration in respect of services provided undertaking their roles under contracts of employment, and are not remunerated for serving as trustees. The value of this remuneration and pension benefits was as follows:

		<b>2021</b>	<b>2020</b>
		<b>£000</b>	<b>£000</b>
Mr. S. Carey, CEO and Accounting Officer	Remuneration	160 - 165	155 - 160
	Pension contributions paid	35 - 40	35 - 40
Mrs. H. Overton	Remuneration	30 - 35	-
	Pension contributions paid	0 - 5	-

During the year ended 31 August 2021, no expenses were reimbursed or paid directly to any Trustee (2020 - £268 to 1 Trustee).

**15. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2021 was £876 (2020 - £516). The cost of this insurance is included in the total insurance cost.

**16. Tangible fixed assets**

	<b>Long-term leasehold property £000</b>	<b>Assets under construction £000</b>	<b>Plant and machinery £000</b>	<b>Computer equipment £000</b>	<b>Total £000</b>
<b>Cost</b>					
At 1 September 2020	216	-	533	590	1,339
Additions	-	362	168	177	707
At 31 August 2021	<u>216</u>	<u>362</u>	<u>701</u>	<u>767</u>	<u>2,046</u>
<b>Depreciation</b>					
At 1 September 2020	-	-	186	439	625
Charge for the year	-	-	59	112	171
At 31 August 2021	<u>-</u>	<u>-</u>	<u>245</u>	<u>551</u>	<u>796</u>
<b>Net book value</b>					
At 31 August 2021	<u>216</u>	<u>362</u>	<u>456</u>	<u>216</u>	<u>1,250</u>
At 31 August 2020	<u>216</u>	<u>-</u>	<u>347</u>	<u>151</u>	<u>714</u>

Included in land and buildings is freehold land at valuation of £136k and leasehold land at valuation of £80k, which are not depreciated.

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**Notes to the Financial Statements**  
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**17. Debtors**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Trade debtors	24	6
Other debtors	371	82
Prepayments and accrued income	493	387
	<u>888</u>	<u>475</u>

**18. Creditors: Amounts falling due within one year**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Other loans	6	11
Trade creditors	408	11
Other taxation and social security	230	204
Other creditors	319	243
Accruals and deferred income	606	552
	<u>1,569</u>	<u>1,021</u>
	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Deferred income at 1 September 2020	212	207
Resources deferred during the year	260	212
Amounts released from previous periods	(212)	(207)
	<u>260</u>	<u>212</u>

At the balance sheet date the academy trust was holding funds received in advance of the 2021/22 academic year for ESFA UIFSM and rates grants, school trips and catering income.

**19. Creditors: Amounts falling due after more than one year**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Other loans	<u>17</u>	<u>23</u>

The other loans balance above represents interest free Salix loan funding from the DfE in respect of three capital projects. The loans are due for repayment by 2028.

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**20. Statement of funds**

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Unrestricted funds</b>						
General Fund	1,024	672	(254)	(91)	-	1,351
<b>Restricted general funds</b>						
General Annual Grant (GAG)	591	15,103	(14,393)	(326)	-	975
Other DfE/ESFA grants	330	2,079	(2,192)	-	-	217
Other government grants	56	938	(776)	-	-	218
Other restricted	-	87	(87)	-	-	-
Catch up premium	-	277	(211)	-	-	66
Other DfE/ESFA Covid-19 funding	-	58	(32)	-	-	26
Pension reserve	(6,795)	-	(1,091)	-	(940)	(8,826)
	(5,818)	18,542	(18,782)	(326)	(940)	(7,324)
<b>Restricted fixed asset funds</b>						
Fixed assets	714	84	(171)	623	-	1,250
Capital grants and donations	5,302	1,903	(5,327)	(217)	-	1,661
Salix loan	(34)	-	-	11	-	(23)
	5,982	1,987	(5,498)	417	-	2,888
<b>Total Restricted funds</b>	164	20,529	(24,280)	91	(940)	(4,436)
<b>Total funds</b>	1,188	21,201	(24,534)	-	(940)	(3,085)

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 grants is used to track non-GAG grant money received from the DfE/ESFA and connected bodies, and include Pupil Premium, Universal Infant Free School Meals, Teachers' Pay and Teachers' Pension grant income.

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

Covid Catch-up premium relates to additional funding provided by the DfE to support children and young people to catch up on



**20. Statement of funds (continued)**

missed learning caused by coronavirus (Covid-19). This has been spent in a variety ways, as outlined in note 4.

Other Covid funding relates to Covid mass-testing grants, provided by the DfE to support schools with the costs associated with the coronavirus National Testing Programme and Summer School funding for the delivery of the programme of activities in the school summer holidays.

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**20. Statement of funds (continued)**

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

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 £417k 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 2021.

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

	<i>Balance at 1 September 2019 £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 2020 £000</i>
<b>Unrestricted funds</b>						
General Fund	687	662	(325)	-	-	1,024
<b>Restricted general funds</b>						
General Annual Grant (GAG)	416	12,813	(12,452)	(186)	-	591
Other DfE/ESFA	306	1,931	(1,907)	-	-	330
Other government	179	479	(602)	-	-	56
Other restricted	-	11	(11)	-	-	-
Pension reserve	(5,443)	-	(675)	-	(677)	(6,795)
	<u>(4,542)</u>	<u>15,234</u>	<u>(15,647)</u>	<u>(186)</u>	<u>(677)</u>	<u>(5,818)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	580	-	(106)	240	-	714
Capital grants and donations	2,282	3,639	(551)	(68)	-	5,302
Salix loan	(36)	(12)	-	14	-	(34)
	<u>2,826</u>	<u>3,627</u>	<u>(657)</u>	<u>186</u>	<u>-</u>	<u>5,982</u>
<b>Total Restricted funds</b>	<u>(1,716)</u>	<u>18,861</u>	<u>(16,304)</u>	<u>-</u>	<u>(677)</u>	<u>164</u>
<b>Total funds</b>	<u>(1,029)</u>	<u>19,523</u>	<u>(16,629)</u>	<u>-</u>	<u>(677)</u>	<u>1,188</u>

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Notes to the Financial Statements  
For the Year Ended 31 August 2021

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20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
St George's Church of England School	666	280
St Botolph's Church of England Primary School	631	560
Shorne Church of England Primary School	84	76
Horton Kirby Church of England Primary School	208	212
Stone St. Mary's Church of England Primary School	339	309
Sutton-at-Hone Church of England Primary School	286	226
Rosherville Church of England Primary School	158	132
Holy Trinity Church of England Primary School	245	-
Central services	236	206
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,853	2,001
Restricted fixed asset fund	2,888	5,982
Pension reserve	(8,826)	(6,795)
	<hr/>	<hr/>
<b>Total</b>	<b>(3,085)</b>	<b>1,188</b>
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**Notes to the Financial Statements**  
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**20. Statement of funds (continued)**

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs £000</b>	<b>Other support staff costs £000</b>	<b>Educational supplies £000</b>	<b>Other costs excluding depreciation £000</b>	<b>Total 2021 £000</b>	<i>Total 2020 £000</i>
St George's Church of England School	4,504	675	410	5,171	10,760	6,202
St Botolph's Church of England Primary School	1,360	159	96	312	1,927	1,774
Shorne Church of England Primary School	664	82	73	86	905	811
Horton Kirby Church of England Primary School	906	83	97	127	1,213	1,135
Stone St. Mary's Church of England Primary School	1,700	197	255	536	2,688	2,437
Sutton-at-Hone Church of England Primary School	1,327	205	81	179	1,792	1,757
Rosherville Church of England Primary School	510	63	74	167	814	725
Holy Trinity Church of England Primary School	1,234	217	84	194	1,729	-
Central services	419	326	15	684	1,444	1,007
LGPS	-	1,091	-	-	1,091	675
<b>Academy Trust</b>	<b>12,624</b>	<b>3,098</b>	<b>1,185</b>	<b>7,456</b>	<b>24,363</b>	<b>16,523</b>

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**For the Year Ended 31 August 2021**

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

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Restricted fixed asset funds 2021 £000</b>	<b>Total funds 2021 £000</b>
Tangible fixed assets	-	-	1,250	1,250
Current assets	1,351	3,065	1,661	6,077
Creditors due within one year	-	(1,563)	(6)	(1,569)
Creditors due in more than one year	-	-	(17)	(17)
Provisions for liabilities and charges	-	(8,826)	-	(8,826)
<b>Total</b>	<b>1,351</b>	<b>(7,324)</b>	<b>2,888</b>	<b>(3,085)</b>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Restricted fixed asset funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Tangible fixed assets	-	-	714	714
Current assets	1,024	1,987	5,302	8,313
Creditors due within one year	-	(1,010)	(11)	(1,021)
Creditors due in more than one year	-	-	(23)	(23)
Provisions for liabilities and charges	-	(6,795)	-	(6,795)
<b>Total</b>	<b>1,024</b>	<b>(5,818)</b>	<b>5,982</b>	<b>1,188</b>

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

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Net (expenditure)/income for the year (as per Statement of financial activities)	(3,333)	2,894
<b>Adjustments for:</b>		
Depreciation	171	106
Capital grants from DfE and other capital income	(1,903)	(3,627)
Interest receivable	-	(2)
Defined benefit pension scheme cost less contributions payable	987	579
Defined benefit pension scheme finance cost	104	96
Decrease/(increase) in stocks	7	(7)
(Increase)/decrease in debtors	(394)	162
Increase in creditors	534	379
<b>Net cash (used in)/provided by operating activities</b>	<b>(3,827)</b>	<i>580</i>

**23. Cash flows from financing activities**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Cash inflows from new borrowing	-	11
Repayments of borrowing	(11)	(13)
<b>Net cash used in financing activities</b>	<b>(11)</b>	<i>(2)</i>

**24. Cash flows from investing activities**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Dividends, interest and rents from investments	-	2
Purchase of tangible fixed assets	(707)	(240)
Capital grants from DfE Group	1,043	1,815
Capital funding received from sponsors and others	860	1,812
<b>Net cash provided by investing activities</b>	<b>1,196</b>	<i>3,389</i>

**25. Analysis of cash and cash equivalents**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Cash in hand and at bank	5,161	7,803

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**26. Analysis of changes in net debt**

	At 1 September 2020 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2021 £000
Cash at bank and in hand	7,803	(2,642)	-	5,161
Debt due within 1 year	(11)	11	(6)	(6)
Debt due after 1 year	(23)	-	6	(17)
	<u>7,769</u>	<u>(2,631)</u>	<u>-</u>	<u>5,138</u>

**27. Conversion to an academy trust**

On 1 November 2020 Holy Trinity Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Aletheia Anglican Academies Trust from Gravesham Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £000	Total funds £000
<b>Current assets</b>		
Cash - representing budget surplus on LA funds	245	245
<b>Net assets</b>	<u>245</u>	<u>245</u>

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**28. Contingent liabilities**

The Academy Trust continues to have a contingent liability in respect of term time only workers' annual leave. This relates to trade unions encouraging their members to collectively make claims against Kent based education employers regarding the calculation of term time only workers' annual leave, following settlements made in other local authorities.

Since forming the Academy Trust has been free to set its own pay rates, but in common with most trusts it has closely followed the local authority scales. The Kent County Council (KCC) 'Kent Scheme' Pay Scales were amended from 1 April 2020 following a change to the way leave for term time only staff is calculated, and the Academy Trust followed suit by altering its own approach and aligning its pay scales to KCC rates later in 2020.

At the time the 31 August 2020 financial statements were approved last year KCC were resisting making any collective settlement and encouraging individual employer schools and academies to do likewise. The issue has not yet been fully resolved, however KCC have now negotiated a settlement during 2021. Whilst this settlement was made by KCC, and does not directly affect academy trusts, which negotiate in their own right as their own employer, in line with the KCC recommendation and having taken further appropriate advice, the Academy Trust has chosen to make the same offer settlement to its affected staff.

The potential settlement has two parts;

(1) a historical element relating to pre-1 April 2020. This element is in the process of being quantified, however KCC have indicated they are prepared to reimburse academies for any settlement they have to make, and therefore this part of the potential liability is not expected to have any net impact of the Academy Trust's finances.

(2) a settlement for the period post 1 April 2020 until pay scales were amended. This part will not be funded by KCC and will become a cost borne by the Academy Trust. This element has yet to be quantified but is not considered material to the financial statements.

**29. Capital commitments**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	-	68
Purchase, construction or development of property	1,689	5,669
	<u>1,689</u>	<u>5,737</u>



**Notes to the Financial Statements**  
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**30. 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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £253,000 were payable to the schemes at 31 August 2021 (2020 - £231,000) 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.

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,696,000 (2020 - £1,486,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

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**30. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £877,000 (2020 - £681,000), of which employer's contributions totalled £683,000 (2020 - £529,000) and employees' contributions totalled £ 194,000 (2020 - £152,000). The agreed contribution rates for future years are 21 per cent for employers, increasing to 22.5 per cent from 1 April 2022, 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.

**Principal actuarial assumptions**

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.25

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.8
Females	23.6	23.8
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.1	25.2

**Sensitivity analysis**

	2021	2020
	£000	£000
Discount rate +0.1%	(441)	(348)
Discount rate -0.1%	452	358
Mortality assumption - 1 year increase	702	516
Mortality assumption - 1 year decrease	(676)	(498)
CPI rate +0.1%	402	315
CPI rate -0.1%	(392)	(307)

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**30. Pension commitments (continued)**

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Equities	5,975	4,787
Gilts	51	50
Corporate bonds	1,267	954
Property	938	812
Cash and other liquid assets	261	225
Investment funds	635	563
<b>Total market value of assets</b>	<b>9,127</b>	<b>7,391</b>

The actual return on scheme assets was £1,106,000 (2020 - £466,000).

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Current service cost	(1,665)	(1,105)
Interest income	123	116
Interest cost	(227)	(212)
Administrative expenses	(5)	(3)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(1,774)</b>	<b>(1,204)</b>

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	<b>14,186</b>	<b>11,398</b>
Current service cost	1,665	1,105
Interest cost	227	212
Employee contributions	194	152
Actuarial losses	1,923	1,378
Benefits paid	(242)	(59)
<b>At 31 August</b>	<b>17,953</b>	<b>14,186</b>

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**Notes to the Financial Statements**  
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**30. Pension commitments (continued)**

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

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
<b>At 1 September</b>	7,391	5,955
Interest income	123	116
Actuarial gains	983	701
Employer contributions	683	529
Employee contributions	194	152
Benefits paid	(242)	(59)
Administration expenses	(5)	(3)
<b>At 31 August</b>	<u>9,127</u>	<u>7,391</u>

**31. Operating lease commitments**

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Not later than 1 year	33	29
Later than 1 year and not later than 5 years	36	57
	<u>69</u>	<u>86</u>

**32. 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.

**33. Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £10k and disbursed £10k from the fund. An amount of £12k is included in other creditors relating to undistributed funds that is repayable to ESFA. Comparatives for the accounting period ending 31 August 2020 are £13k received, £6k disbursed and £12k included in other creditors.

**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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 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 £8,734 (2020 - £3,887) 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 which the trustees consider that only the Diocese of Rochester could provide.

**(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. Sisterson, the partner of the CEO, Mr. S. Carey, is employed as a teacher.
- J. Chitty, the daughter of the Headteacher of one of the trust's academies, was employed as a teaching assistant.
- 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, is employed as a finance apprentice.

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:

- St. George's - £747 (2020 - £1,112)
- Shorne - £5,852 (2020 - £6,221)
- Horton Kirby - £1,227 (2020 - £7,413)
- St Botolph's - £Nil (2020 - £2,275)
- Sutton-at-Hone - £Nil (2020 - £14,274)