

**Company Registration Number: 09628754 (England & Wales)**

**Medway Anglican Schools Trust**

**(A company limited by guarantee)**

**Annual report and financial statements**

**for the year ended 31 August 2021**

**Medway Anglican Schools Trust**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

Incorporated Rochester Diocesan Board of Education  
J Clarke, Chair of the Board of Directors  
S Davis  
A Wooding-Jones  
B Senior

**Trustees**

J Clarke, Chair  
R Jones<sup>1</sup>  
H Sanders<sup>1</sup>  
G Mond<sup>1</sup>  
S Coleman<sup>1</sup>  
D Welch (appointed 14 January 2021)  
K Cook (appointed 14 January 2021)  
J Carthy (resigned 31 August 2021)<sup>1</sup>

<sup>1</sup> Finance Committee

**Company registered number**

09628754

**Company name**

Medway Anglican Schools Trust

**Principal and registered office**

St Margarets C of E Junior School  
Orchard Street  
Rainham  
Gillingham  
Kent  
ME8 9AE

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**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**  
**for the year ended 31 August 2021**

**Senior management team**

H Sanders, Chief Executive Officer  
K Barker, Chief Financial Officer  
J Strachan, Head Teacher of All Saints C of E Primary School  
N Milton, Assistant Head Teacher of All Saints C of E Primary School  
J Akrell, Assistant Head Teacher of All Saints C of E Primary School  
K Forghani Ashraff, Assistant Head Teacher of All Saints C of E Primary School  
A Pattenden, Head Teacher of St Margaret's C of E Junior School (resigned 1st April 2021)  
L Williams, Head Teacher of St Margaret's C of E Junior School (appointed 12th April 2021)  
C Dixon, Assistant Head Teacher of St Margaret's C of E Junior School  
F Cordingley, Head Teacher of St James' C of E Primary School  
S Palmer, Assistant Head Teacher St James' C of E Primary School (appointed 1st September 2020)  
D West, Assistant Head Teacher of St James' C of E Primary  
J Collman, Head Teacher of St John's C of E Infants' School  
D Brown, Senior Teacher of St John's C of E Infants' School

**Independent auditors**

Kreston Reeves LLP  
Statutory Auditor  
37 St Margaret's Street  
Canterbury  
Kent  
CT1 2TU

**Bankers**

Lloyds Bank plc  
142 - 146 High Street  
Chatham  
Kent  
ME4 4DQ

**Solicitors**

Thomson Snell & Passmore  
3 Lonsdale Gardens  
Tunbridge Wells  
Kent  
TN1 1NX

**Internal auditors**

Azets  
Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

**Medway Anglican Schools Trust**  
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**Trustees' report**  
**for the year ended 31 August 2021**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year/period 1st 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 trust operates four primary academies in the Medway area.. Its academies have a combined pupil capacity of 975 from reception year to year 6 and had a roll of 895 in the school census on in October 2021. All Saints CE Primary and St James CE Primary also offer nursery provision for children from age 2 with a combined capacity of 100 places. These places fill throughout the year as children reach their qualifying age – by the summer term census there were 95 nursery children on roll.

**Structure, governance and management**

**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Medway Anglican Schools Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Medway Anglican Schools Trust.

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

**Members' liability**

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

\*As required in the Academy Trust's funding agreement/memorandum and articles of association.

**Trustees' indemnities**

Cover for third party liability and all indemnities are provided through the Trust's purchase of membership of Risk Protection Arrangements from DfE. There was one claim commenced during the 2020-2021 academic year.

**Method of recruitment and appointment or election of Trustees**

Medway Anglican Schools Trust recruit Directors who have the experience and skills to be able to lead and manage the business of the Trust. Potential candidates complete a skills audit and are interviewed by Director(s) of the Board. The Board then discuss the candidate and vote on whether to appoint. An invitation to join the Board is then made. The Board also writes to the Members to confirm that they agree with, and confirm the appointment.

The Board of Directors annually reviews its effectiveness and skills set and recommends the recruitment and appointment of Directors as a result of this process. The Trust will consider appointing Directors from the local governing bodies of its academies which has the dual effect of enhancing the skills of the Trust Board and reinforcing the relationship with governance at local governing body level. The Trust has also used the National Ambassador Scheme in order to try to recruit and appoint governors with commercial expertise in the fields of finance and estates management.

There were four first Directors who are named in the Incorporation documents and were appointed by members, of these only the Chair of Board and Chief Executive Officer are still Directors. The Chief Executive Officer is an ex-officio Director for the period of their being in post.

As laid out in the Articles of Association:

The number of Directors shall not be less than three, but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. Currently there are five Directors and the CEO as an ex-officio director.

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**Trustees' report (continued)**  
**for the year ended 31 August 2021**

The members appoint a minimum of five Directors. The Local Governing Bodies appoint Parent Governors, hence in accordance with the Articles of Association there is no requirement to appoint Parent Directors, although there may be Directors who are also parents of children in the Academies. Those Directors who are appointed by members can, with the agreement of the Diocese, appoint co-opted Directors. Future Directors shall be appointed or elected, as the case may be, under the Articles of Association.

*Appointment of Directors*

The Members shall appoint a minimum of 5 Directors.

The Members shall ensure that the total number of Directors including the Chief Executive Officer who are employees of the Company does not exceed one third of the total number of Directors.

Currently every Academy in the Medway Anglican Schools Trust has a local governing body and each Academy has two parent governor posts as part of its governing body. The parent governors are elected as detailed in the extract from the Articles of Association below:

*Parent Directors*

In circumstances where the Directors have not appointed Local Governing Bodies in respect of the Academies as envisaged in Article 101A there shall be a minimum of 2 Parent Directors and otherwise such number as the Members shall decide who shall be appointed or elected in accordance with Articles 54 - 56.

Parent Directors and Parent members of the Local Governing Bodies or Advisory Bodies shall be elected or appointed by the parents of registered pupils at one or more of the Academies and each must be a parent at the time when he is elected or appointed.

Notwithstanding Article 53, if no parents put themselves forward for election the number of Parent Directors and Parent members of the Local Governing Bodies or Advisory Bodies required shall be made up by Parent Directors and Parent members appointed by the Directors.

The Directors shall make all necessary arrangements for, and determine all other matters relating to, an election of the Parent Directors or Parent members of Local Governing Bodies or Advisory Bodies, including any question of whether a person is a parent of a registered pupil at one of the Academies. Any election of the Parent Directors or Parent members of the Local Governing Bodies or Advisory Bodies which is contested shall be held by secret ballot.

In appointing a Parent Director or Parent member of a Local Governing Body or Advisory Body the Directors shall appoint a person who is the parent of a registered pupil at an Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

*Chief Executive Officer*

The Chief Executive Officer shall be a Director for as long as they remain in office as such.

*Co-opted Directors*

The Directors appointed under Article 50 with the consent of the Diocesan Board of Education may appoint up to 2 Co-opted Directors for such term (not exceeding four years) and otherwise upon such conditions as they shall think fit. A 'Co-opted Director' means a person who is appointed to be a Director by being Co-opted by Directors who have not themselves been so appointed. In accordance with Article 50A, The Directors may not co-opt an employee of the Company as a Co-opted Director if thereby the number of Directors who are employees of the Company would exceed one third of the total number of Directors including the Chief Executive Officer.

*Term of Office*

The term of office for any Director (other than Co-opted Directors under Article 58) shall be four years, save that this time limit shall not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

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**Trustees' report (continued)**  
**for the year ended 31 August 2021**

*Resignation and Removal*

A Director shall cease to hold office if he resigns his office by notice to the Company (but only if at least three Directors will remain in office when the notice of resignation is to take effect).

A Director shall cease to hold office if he is removed by the person or persons who appointed him. This Article does not apply in respect of a Parent Director.

Where a Director resigns his office or is removed from office, the Director or, where he is removed from office, those removing him shall give written notice thereof to the Clerk.

*Disqualification of Directors*

No person shall be qualified to be a Director unless he is aged 18 or over at the date of his election or appointment. No current pupil or current student of any of the Academies shall be a Director.

A Director shall cease to hold office if he becomes incapable by reason of illness or injury of managing or administering his own affairs.

A Director shall cease to hold office if he is absent without the permission of the Directors from all their meetings held within a period of six months and the Directors resolve that his office be vacated.

A person shall be disqualified from holding or continuing to hold office as a Director if:

- his estate has been sequestrated and the sequestration has not been discharged, annulled or reduced; or
- he is the subject of a bankruptcy restrictions order or an interim order.

A person shall be disqualified from holding or continuing to hold office as a Director at any time when he is subject to a disqualification order or a disqualification undertaking under the Company Directors Disqualification Act 1986 or to an order made under section 429(2)(b) of the Insolvency Act 1986 (failure to pay under county court administration order).

A Director shall cease to hold office if he ceases to be a Director by virtue of any provision in the Companies Act 2006 or is disqualified from acting as a trustee by virtue of section 178 of the Charities Act 2011 (or any statutory re-enactment or modification of that provision).

A person shall be disqualified from holding or continuing to hold office as a Director if he has been removed from the office of charity trustee or trustee for a charity by an order made by the Charity Commission or the High Court on the grounds of any misconduct or mismanagement in the administration of the charity for which he was responsible or to which he was privy, or which he by his conduct contributed to or facilitated.

A person shall be disqualified from holding or continuing to hold office as a Director where he has, at any time, been convicted of any criminal offence, excluding any that have been spent under the Rehabilitation of Offenders Act 1974 as amended, and excluding any offence for which the maximum sentence is a fine or a lesser sentence except where a person has been convicted of any offence which falls under section 178 of the Charities Act 2011.

After the first Academy has opened, a person shall be disqualified from holding or continuing to hold office as a Director if he has not provided to the chairman of the Directors a criminal records certificate at an enhanced disclosure level under section 1138 of the Police Act 1997. In the event that the certificate discloses any information which would in the opinion of either the chairperson or the Chief Executive Officer confirm their unsuitability to work with children that person shall be disqualified. If a dispute arises as to whether a person shall be disqualified, a referral shall be made to the Secretary of State to determine the matter. The determination of the Secretary of State shall be final.

Where, by virtue of these Articles a person becomes disqualified from holding, or continuing to hold office as a Director; and he is, or is proposed, to become such a Director, he shall upon becoming so disqualified give written notice of that fact to the Clerk.

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**for the year ended 31 August 2021**

Articles 68 to 74, Articles 77 to 79 and Articles 97 to 98 also apply to any member of any committee of the Directors, including a Local Governing Body, who is not a Director.

**Policies and Procedures for the Induction and Training of Trustees**

Trustees bring their key skills and experience to the Board but may have limited experience of how Academy Trusts operate and the roles and responsibilities of the Trust Board and Local Governing Bodies.

Upon the offer of appointment being accepted, the Director is required to complete and submit a Disclosure and Barring Service form. Once the enhanced check is received and checked, the Director is formally appointed.

When a Director is appointed, they undergo an induction programme which includes learning about the Academies within the Medway Anglican Schools Trust and their individual characteristics. They receive an induction pack which includes key documents to read as listed:

- Articles of Association
- Scheme of delegation
- Master funding agreement
- Supplemental funding agreement
- Trustee code of conduct
- Academies Financial Handbook
- MAST financial manual
- Governance handbook
- Keeping Children Safe in Education 2021
- MAST Structure Chart with Names
- Last year's Board minutes
- Last year's CEO reports
- Last 2 LGB minutes from trust schools

They are given: a MAST e-mail address for Trust communications; training in safeguarding, including the Prevent Module, links to the Trust Academy websites; a list of Local Governing Body Governors; copies of the Ofsted framework and safeguarding framework and the opportunity to meet with the Chief Executive Officer and to visit Academies in the Trust.

They also have access to NGA Learning Link and are invited to attend the MAST governance training sessions.

**Organisational structure**

The Board of Directors is ultimately responsible to the Members and the Secretary of State for Education for the performance of the Medway Anglican Schools Trust and its academies. The Directors are responsible for the strategic direction of the Trust and have the ultimate decision-making authority. This is exercised by the Directors through strategic planning which details the vision, purpose and objectives of the Trust and setting of policy. It is managed through business and financial planning, budget monitoring, performance management, the setting of expectations for standards and the implementation of quality management processes.

The Chief Executive Officer implements the decisions of the Directors and is responsible for the day to day operations of the Trust. The Chief Executive Officer operates within the limits of the Trust's policies and procedures as approved by the Board of Directors and the powers delegated to them. The Chief Executive Officer is the Accounting Officer.

To ensure financial scrutiny and oversight, the Trust has a Finance Committee with the appropriate levels of delegation to undertake such scrutiny and oversight. For the purposes of internal control, review of systems and compliance with legislation and internal systems and policies, the Finance Committee acts as Audit Committee, with appropriate terms of reference. The committee monitors the systems and operations of the Trust and reviews the more detailed and independent internal audit work of a firm of accountants retained for these purposes as well as the work of the Trust's auditors. The membership of this committee is detailed in the reference and administrative section.

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**Trustees' report (continued)**  
**for the year ended 31 August 2021**

In order to provide increased monitoring and scrutiny of educational standards within the Trust academies, the Board of Directors has established from 1 September 2016 the Schools Standards Scrutiny Focus. This provides detailed analysis of standards, holding academies to account for learner achievement, encourage Trust wide initiatives to monitor individual school performance and encourage school to school support. While the last year has been disrupted due to Covid-19 and it hasn't been possible to hold the Schools Standards Scrutiny Focus meetings on site in the academies, the Board has been provided with detailed information on standards both academic, attendance, safeguarding and health and safety through the CEO reports to board meetings.

A local governing body under an agreed scheme of delegation operates each of the Trust's academies. The local governing body is a committee of the Board of Directors. The Directors have delegated to the local governing body of each academy the powers and responsibilities detailed in their respective schemes of delegation, which were reviewed and approved by the Directors on 1 September 2020. Unless a matter is identified as strategic or specifically reserved to the Directors, all power and responsibility for the academy in question is delegated to the local governing body including the expenditure of funds allocated to the academy within the limits agreed in the scheme of delegation and financial handbook. The local governing body is at liberty to delegate its powers to the Headteacher by means of a written scheme of delegation. This gives the Headteacher the responsibility and the commensurate powers to undertake the internal management of the academy so as to ensure that its day-to-day operations can be undertaken. The Headteacher carries out these responsibilities in conjunction with the leadership team.

Although not part of the Trust's formal structure, the Chief Executive Officer chairs the Management Group which consists of all the Headteachers and the Chief Finance Officer. This operational group is the lynchpin in achieving the implementation of the Trust's strategy, policies and procedures.

In order to ensure cohesion and proper systems, each local governing body is required to implement the policies and procedures laid down by the Directors. The Trust monitors the activities of each academy through the provision of local governing body minutes, educational data, financial information and internal systems reviews, which are reviewed by the Board of Directors, finance (including audit) committee as appropriate.

The Trust provides some central services; each academy must use the Trust's audited accounts and company secretarial services, including clerking and centrally procured consultants/contractors for human resources; payroll services and finance services managed by the Chief Finance Officer. The Trust is a charity, and all such services will be operated for the benefit of the academies on a cost basis. The Trust reserves the right to receive a contribution to these central costs from the academies. We have also appointed a MAST GDPR officer who trains all relevant members of MAST and fulfills the requirements of the role for the whole Trust.

**Arrangements for setting pay and remuneration of key management personnel**

Pay and remuneration for key management personnel is set using the school teachers pay and conditions document and guidance on school teachers pay and conditions. Each Headteacher has a pay scale range of 7 points linked to the group size of their school. The Chief Executive Officer pay point has been determined using the National Joint Council Recommendations for Local Government. All Headteachers and the Chief Executive Officer (CEO) are subject to performance management. The Trust commission an experienced external assessor, who supports the process for the CEO and Headteachers. This ensures that there are high expectations and consistent challenge across the Trust Academies throughout the performance management process. The Headteacher performance management panel has a minimum of one member of the Local Governing Body, a Director, the CEO as an adviser and the external assessor to support the process. CEO performance management is delivered by a minimum of two Directors with the external assessor to support the process. In all cases, there is a mid-year review. Following completion and full review of the performance management cycle, the panel members make a recommendation on pay awards and these are considered by the pay committee, which from 1 September 2020 forwards consists of at least two Directors and one member of a Local Governing Body. Deputy Headteachers and Assistant Headteachers who are also senior leaders are performance managed by the Headteachers who make a recommendation to the pay committee on pay awards. All teachers and key management personnel complete their appraisal by 31 October and receive written confirmation of their salary by 30 November.

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**Trustees' report (continued)**  
**for the year ended 31 August 2021**

**Member schools**

The Trust is made up of:

All Saints CE Primary School	converted 1 September 2015
St John's CE Infants School	converted 1 September 2015
St Margaret's CE Junior School	converted 1 September 2015
St James Primary Academy	transferred to MAST on 1 January 2019

**Trade Union Facility Time**

The Trust encourages membership of Trade Union and other professional organisations. During the year ended 31 August 2021 (including the period 31st March 2020 to 1st April 2021), there were no employees of the Trust acting as Trade Union representatives. The Trust purchased Trade Union Facilities from Medway Council under the Trade Union Facilities Scheme Pool Buy In. The total cost of the Trade Union Facilities Scheme Pool Buy In to Medway Anglican Schools Trust for the year ended 31 August 2021 was £1,415.20.

**Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	0
1%-50%	0
51%-99%	0
100%	0

**Percentage of pay bill spent on facility time**

Provide the total cost of facility time	£1,415
Provide the total pay bill	
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0
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**Related Parties and other Connected Charities and Organisations**

The Trust is an educational establishment currently consisting of four primary academies, which operate independently in relation to the provision of education to the learners that attend the academy. The Trust provides certain central services such as human resources, payroll, finance, internal and external audit, central policies, company secretarial support including clerking, which the academies use and it also facilitates, shared expertise and development.

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**Trustees' report (continued)**  
**for the year ended 31 August 2021**

In furtherance of its religious objectives the academies within the Trust are also involved in the Rochester Diocesan Family of Schools and the Medway Anglican School Heads partnership. These are voluntary collaborations to promote the Church of England religious ethos within schools and do not of themselves impact on the operations of the Trust.

Each academy is also a member of a local zone group of Medway Education Leaders Association who meet regularly to collaborate to seek out and adopt best practice to raise standards and improve outcomes for pupils. The Trust is also a member of the Medway and North Kent MAT Alliance, which aims to increase collaboration between local MATs.

Staff working in the Trust are required to complete their related party information and this is included in this report and financial accounts. For 2020-2021, there is a related party between St Margaret's CE Junior and St James CE Primary, and a related party at St John's CE Infants.

During the Covid period from Autumn 2020 forward, meetings for governance, and between members of MAST and their local alliances continued using virtual means such as Teams and Zoom. This has enabled sharing of key information and support for all parties. For governance, it has meant that statutory duties and essential business has continued.

Strategic report

Objectives and Activities

**Objects and aims**

The Medway Anglican Schools Trust's Objects are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum. These will include: Church of England schools designated as such, which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and other Academies, whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos whether or not designated Church of England.

Aims:

- To improve outcomes for all pupils by promoting outstanding education across member schools
- To support and sustain high standards.
- To support each school in its individual vision.
- To share and implement best practice to face the challenges of the future in a local context.
- To offer support to other primary schools facing challenge, within the capacity of the group.

The core purpose of the MAST is to promote outstanding education for all our children in an increasingly changing and challenging educational landscape. It is essential that the strategic and operational function of the centre adds capacity to the individual schools, through:

- supporting school improvement, by providing open and transparent evaluation and feedback.
- promoting openness and information sharing across the trust for the benefit and support of all.
- promoting professional dialogue and support between all members of the MAST staff community.
- promoting shared continuing professional development to address new skills needed as an Academy Trust, including governance.
- best value for money through economy of scale purchasing and procurement of services.
- ensuring that statutory and legal duties are met through:
- financial oversight
- auditing including commissioning internal and external audits and audit of regulatory systems oversight of Headteacher performance management

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**Trustees' report (continued)**  
**for the year ended 31 August 2021**

- monitoring school performance and effectiveness and intervening where needed up to date and fit for purpose employment related policies
- health and safety policies and monitoring
- maintaining up to date safeguarding policies and practice.

Keeping focus on our core purpose and using the strategies above, during the period from 1 September 2020 - 31 August 2021 our objectives were:

Continue to strengthen and grow the Trust by increasing the number of schools in the Trust through conducting rigorous due diligence and forming strong open and honest relationships with schools who wish to join the Trust.

Improve outcomes for our pupils so that Trust schools are a first choice for parents by

- Improving progress for all pupils in EYFS, key stage 1 and key stage 2. Improving attainment for all pupils in EYFS, key stage 1 and key stage 2.
- Raise achievement in reading for all pupils and increase the proportion of higher attaining pupils compared to national benchmarks.
- Maintaining the unique character and ethos of each school so that pupils develop within a nurturing environment.
- Promoting attendance so that pupils are in school and ready to learn at the start of the school day.

Continue to develop leadership and management across the Trust so that it moves towards outstanding by

- The recruitment and retention of talented individuals throughout the Trust, including Governors and Trustees.
- Strengthen and develop governance at all levels.
- Reviewing the management structure of schools to ensure that it is effective and efficient.
- Providing opportunities for career progression within the Trust so that talented individuals are retained.
- Prepare for and achieve good or better grades at SIAMs inspections

Raise the quality of teaching and learning by recruitment and retention of high quality teachers.

- Rigorous and robust quality assurance of teaching through joint lesson observations, book looks and moderation by senior leaders across the Trust.
- Investigating best practice in teaching mathematics.
- High quality CPD to support teachers and teaching support staff to increase their skills and raise expectations.

Continuing to deliver and promote a good quality of education during Covid-19 restrictions, while keeping our school communities safe through:

- Robust risk assessment with published guidance on how to mitigate risk of Covid-19 infection
- Keep our school communities safe by engaging with relevant agencies for advice and to report Covid-19 cases and support track and trace
- Plan for and deliver a good quality of remote learning that engages pupils and maintains the momentum of learning
- Provide direct support to keep children safe and best meet their needs either by provision of on site education or through phone, email and Teams conversations and events
- Report to parents on the outcomes of their child's education during the year, using virtual means when necessary and on site where possible.
- Access government funding for the provision of remote devices and procure more if necessary.

Continue to maintain management and financial systems and procedure across the Trust which meet the requirements of the law and the Academies Financial Handbook

- Update and adopt MAST wide policies and procedural documents to meet statutory requirements, which are understood by all.
- The efficient procurement, shared central costs and collaborative working between schools.

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**Trustees' report (continued)**  
**for the year ended 31 August 2021**

All aspects of the Trust's activities during the 2020-2021 year linked to its charitable purposes namely the advancement of educational establishments for the public benefit.

These objectives were the Trust focus for the 2020-2021 academic year.

They remained our objectives during the interruption to our usual method of opening for all pupils from Autumn 2020 forward and were addressed through the arrangements put in place to maintain continuous education for all our children through remote learning or attendance in school as a child of key workers or vulnerable children.

**Systems & Finance**

Management and finance systems are in place across the Trust and deadlines for statutory returns have been met. There is an open and transparent sharing of both financial information and performance information so that all leaders and managers know and understand how the priorities for the Trust are determined, as well as knowing where we have performed well.

While there have been additional costs during the year for increased cleaning and staff cover costs due to four maternity leaves where teachers were advised to be at home from 28 weeks gestation, good budget management means that the costs were met and no claims made to ESFA, as per the guidance issued.

We continue to apply for condition improvement funding to carry out essential works in our schools. In this academic year the roof project was completed at St Margaret's CE Juniors. Our bids for boiler replacement weren't successful this year, but we will bid again in 2021-2022.

All aspects of the Trust's activities are linked to its charitable purposes namely the advancement of educational establishments for the public benefit.

**Public benefit**

The Directors confirm that the objectives and activities of the Trust provide identifiable benefits, namely educational, which are in pursuance of the aims of the Trust. In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. This benefit is available to young people aged from 2 to 11.

Two of our schools are in areas of high deprivation (10% most deprived nationally) and the other two have pockets of deprivation. One is sited in one of the most remote villages in Kent and serves a rural community 14 miles away from the urban areas of Medway. Ofsted Inspections in 2018 confirmed that our strategies to meet the needs of disadvantaged pupils are impactful and are diminishing the difference. This has continued to be the case in 2020-2021 with disadvantaged pupils making good progress from their starting points and strategies applied being impactful. We remained open for all vulnerable pupils throughout the period November 2020 – March 2021. We supplied food parcels/vouchers for our disadvantaged families and allowed use of the kitchen at All Saints to service the needs of other local schools for food parcels. The admission criteria of the academies are not unduly restrictive and are in keeping with the religious aims of the Trust. We successfully applied for a variation to our admissions criteria so that applicants were not disadvantaged by the closure of churches when completing the Supplementary Information Forms for oversubscription criteria. Furthermore, the Directors confirm that they have complied with their duty to have regard to the guidance on public benefit as published by the Charity Commission.

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**Trustees' report (continued)**  
**for the year ended 31 August 2021**

**Achievements and Performance**

On-site attendance at schools in the Trust varied, due to their different demographics and rates of Covid-19 infection. All Saints CE Primary had about half of the pupils educated on site due to high numbers of key workers as well as high proportions of vulnerable pupils.

Attendance figures were monitored across the Trust on a daily basis and were above the national figures published – showing that parents and pupils were confident to attend school and continue to learn. The attendance of pupil premium pupils was better than previously.

The measures put in place to reduce infection were very effective, with only one school (the smallest, St John's CE Infants) needing to close due to high numbers of Covid cases. Across the other 3 schools, there was only one occasion when a class bubble needed to isolate and this coincided with the Christmas vacation period. The attendance at St Johns Infants was higher than in previous years.

Baseline assessments were carried out early in the Autumn term 2020 and summative assessments in Summer 2021. These together with work in books – which was moderated by senior leaders in the trust, showed that all year groups had made significant gains from their starting points at the beginning of the year.

The table below shows the gain in age expected attainment and greater depth for the year 3 cohort, who had missed much of the previous year's usual learning when at the end of key stage 1.

Key Stage 2 Year 3									
Key Stage 2 Year 3 Reading									
	All Saints			St James			St Margarets Junior		
	Number in cohort	Percentage Meeting Standard	Percentage greater depth	Number in cohort	Percentage Meeting Standard	Percentage greater depth	Number in cohort	Percentage Meeting Standard	Percentage greater depth
September Baseline	43	23	5	20	30	0	90	36	6
Summer Outcome	43	56	12	20	50	10	90	69	31
Change (T6 - Baseline)		33	7		20	10		33	25
Key Stage 2 Year 3 Mathematics									
	All Saints			St James			St Margarets Junior		
	Number in cohort	Percentage Meeting Standard	Percentage greater depth	Number in cohort	Percentage Meeting Standard	Percentage greater depth	Number in cohort	Percentage Meeting Standard	Percentage greater depth
September Baseline	43	30	0	20	35	5	90	41	4
Summer Outcome	43	67	16	20	60	10	90	81	33
Change (T6 - Baseline)		37	16		25	5		40	29

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Similarly, phonics teaching continued to be a high priority, with all schools delivering the read, write, ink programme. While, focused interventions will continue this year, the table below shows that pupils are already securing lost learning and well placed to continue to make good progress, particularly at All Saints CE Primary –which received TLiF funding. The National percentages shown are for the 2019 year phonics outcomes.

Year 1 Phonics						
All Saints		St James		St John's Infants		National
Number in cohort	Percentage Meeting Standard	Number in cohort	Percentage Meeting Standard	Number in cohort	Percentage Meeting Standard	Percentage Meeting Standard
44	74	27	48	24	42	82
Year 2 Phonics						
All Saints		St James		St John's Infants		National
Number in cohort	Percentage Meeting Standard	Number in cohort	Percentage Meeting Standard	Number in cohort	Percentage Meeting Standard	Percentage Meeting Standard
45	100	30	70	21	86	91

Relationships with the local school communities have been strengthened during the year, through the wide and diverse provision of education and safeguarding whether during lockdown or during full on site provision.

This included:

- Maintaining the same broad and balanced teaching of the curriculum for both on site and remote learning.
- Delivery of laptops and other devices to pupils as well as paper based resources
- Keeping in touch through socially distanced outside/doorstep exchanges; phone and email
- A range of online learning using Oak Academy; school produced recorded learning that was accessible throughout the day; website videos for well-being and regular supervised Teams group events for pupils e.g. adult sharing a story and then leading an informal chat.
- Management of food vouchers and deliveries to support families.

**CPD, INSET & Training**

High quality CPD continued throughout the pandemic, with online learning for adults and completion of accredited training. The momentum of staff development was continued and evidenced by staff securing promotion posts within and beyond the Trust in summer 2021. A headteacher gained an executive headteacher post outside of the trust and there was a strong field of applicants for the vacant headteacher post. This suggests that our strategy to progress our staff teams and become an employer of choice is effective.

The trust also delivered an online bespoke training offer to governors and directors; this was well attended and feedback is positive. For the 2021-2022 year we are providing both online and on-site governance training to meet all learning styles and the demands of busy lives.

We continue to recruit governors at all levels with skillsets to fill areas where there is less expertise.

During the year, we have begun to recruit apprentices with a view to their longer term employment and development. They are valued members of the staff team and making good progress in both their accredited learning and practical time on site.

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In conclusion, the Trust has seen pupils in all its Academies making good progress from their starting points during the year and continuing to move forward following their successful Ofsted inspections in the 2017-2018 year.

All Saints CE Primary report:	<a href="https://files.api.ofsted.gov.uk/v1/file/2783435">https://files.api.ofsted.gov.uk/v1/file/2783435</a>
St John's CE Infants report:	<a href="https://files.api.ofsted.gov.uk/v1/file/2783933">https://files.api.ofsted.gov.uk/v1/file/2783933</a>
St Margaret's CE Junior report:	<a href="https://files.api.ofsted.gov.uk/v1/file/50022236">https://files.api.ofsted.gov.uk/v1/file/50022236</a>
St James Primary Academy, Grain	<a href="https://files.api.ofsted.gov.uk/v1/file/2758661">https://files.api.ofsted.gov.uk/v1/file/2758661</a>

All schools received a SIAMS inspection between March 2019 (All Saints CE Primary) and November 2019 (October 2019 – St James CE Primary Academy; November 2019 St Johns CE Infants and St Margaret's CE Juniors) All schools achieved good inspections under the revised more rigorous SIAMs framework.

All Saints CE Primary report:  
<http://www.rdbe.org.uk/uploads/pdf/22.03.19%20Final%20report%20All%20Saints%20Chatham.pdf>

St John's CE Infants report:  
<http://www.rdbe.org.uk/uploads/pdf/26.11.19%20St%20Johns%20infant%20SIAMS%20final%20report.pdf>

St Margaret's CE Junior report:  
<http://www.rdbe.org.uk/uploads/pdf/PDF/22.%2011.19%20St%20Margarets%20Rainham%20Final.pdf>

St James Primary Academy, Grain:  
<http://www.rdbe.org.uk/uploads/Grain%20St%20James%20-%20Oct%2019%20-%20SIAMS%20report%20final.pdf>

### **Pupil Recruitment**

Both All Saints CE Primary and St Margaret's CE Juniors are over-subscribed and maintain waiting lists of pupils wishing to enter the school.

St John's CE Infants has places available in some year groups and experiences high mobility. Indicative figures for the reception year entry in September 2021 show 18 children registered (PAN is 30) and we continue to closely monitor registration.

Numbers at St James are continuing to increase and 28 pupils entered reception in September 2021. For 1st September 2021 there will be 171 pupils on roll in the main school and 29 in the nursery. This is a 30 percent increase from when St James joined the Trust in January 2019. We have managed the budget carefully and recovered the previous large debt for notional pupil numbers and was repaid to DfE in November 2020.

Key performance indicators:

The Trust undertakes monitoring of both a financial and non-financial nature, as follows:

Financial:

- Budget: income and expenditure to actual performance - budgets are reviewed monthly in school and by the Chief Finance Officer bi-monthly and each term by the respective committee for each academy.
- Management accounts are formally reviewed 3 times during the year by the Board Finance Committee who raise questions and all directors receive the monthly management accounts.
- Budget three year forecasting - this is undertaken on a rolling annual basis and it was noted that budgets in forthcoming years will be under extreme pressure due to government policy on grant income as well as the increase in pension contributions and the minimum wage pay scales.
- Staff pay as a proportion of income - this is regularly reviewed and for the year represented 83% of income.

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**Trustees' report (continued)**  
**for the year ended 31 August 2021**

- Specific income and expenditure to targets - is reviewed regularly for each Academy and monitored by the Chief Finance Officer who prepares management accounts for the Local Governing Bodies and the Board. The Trust maintains a detailed Risk Register, which is a live document and is reviewed at least monthly and as necessary by the Chief Executive Officer; Chief Finance Officer and Headteachers. Actions are put in place to mitigate both financial and reputational risks.
- During this year, we have carefully monitored and reviewed risks as a result of the Covid pandemic. Some anticipated income has been lost from the nursery income due to lockdown so no income from parents seeking additional hours beyond those funded. In addition the modest income from lettings after hours has also ceased.
- Benchmarking across the academies and against other similar academies - The Board and Local Governing Bodies review benchmarking against DfE finance benchmarks.
- The CFO is an active member of the Medway and North Kent MAT Alliance CFO group
- All statutory and financial returns were completed and submitted within the deadlines given throughout the year.

**Non-Financial:**

- Pupil numbers - reviewed by reference to each of the academy's published admission number and local and national demand for places. For 2020-2021 two academies in the Trust were full and St James saw an increase in numbers.
- St John's CE Infants had places free at the end of the year and there is relatively high inward and outward mobility due to the school not being full in September and then taking in pupils who are referred by Medway admissions.
- All schools have now received good SIAMs judgements during the last 18 months.
- Sports Premium and value for money - is reviewed regularly by the Local Governing Bodies and annually by the Board. Pupils have access to a wide range of sports both through the curriculum during the school day and after school and lunchtime clubs.
- Facilities - the condition of premises are monitored with and through the Local Governing Bodies and the necessary bids for funding will be made again in December 2021 Bids for two schools for replacement boilers were unsuccessful and we will try again in the next academic year.
- Health and safety is reviewed regularly by the Local Governing Body and external reviews are commissioned for all Trust schools. The CEO has led the schools in developing comprehensive risk assessments for every school to lower the risk due to Covid as low as possible. Covid risk assessments have been shared with staff, parents and Unions and are published on each school's website. There have been some additional unplanned budget costs due to purchase of PPE, cleaning materials and screens, but these have been reduced through central purchasing where possible..
- Energy consumption and efficiency- this is monitored by reference to the available commercial rates. We have now changed our energy supplier to a more cost efficient contract and revised again ready for September 2021, in collaboration with the Westbrook Trust.
- Staff Performance - this is monitored through annual staff appraisal based on a single policy, the Trust ensures that staff performance is monitored and rewarded consistently and effectively. Clear expectations are communicated by the CEO/Headteacher management group to ensure consistency across the Trust. The Headteachers and CEO performance management are supported by an experienced external assessor, again this ensures impartial consistency and rigor for the process.
- Curriculum – The review and revision of the curriculum is embedding in all trust schools... The revised curriculum is resulting in greater pupil engagement and challenge and is broad and balanced. Despite the restrictions caused by needing to maintain careful risk management and some restriction of activities every school continues to provide a rich, broad and balanced curriculum

**Going concern**

After making appropriate enquiries, the Directors have a reasonable expectation that the Academy 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.

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While the Covid-19 situation has resulted in some additional costs in the period to 31 August 2021, these have been managed within the budget for the year. Going forward, we have identified that some funds of about £10,000 may need to be used from reserves for additional cleaning costs and staff absences in the 2021-2022 year. Teacher absence due to illness is covered by insurance, the main uncertainty in relation to staffing is where staff are clinically extremely vulnerable so may be required to remain at home – in this case we may need to employ supply teachers to cover classes. However, should this occur we will make representations to DfE to recover additional costs. If this is not possible we are confident that the costs can be met from reserves without affecting our going concern status.

**Financial review**

The Trusts primary source of funding is pursuant to the Education and Skills Funding Agency master funding agreement and the academies supplemental funding agreements. In addition, the academies receive funds through lettings, donations from parents and donations and grants from local and national organisations.

During the period ended 31 August 2021, the Trust has incurred total expenditure of £5,036,913 in delivering the aims of the Trust as set out on pages 10 to 12. This expenditure was covered by recurrent ESFA grant funding plus other incoming resources as noted above of £5,003,739. The excess of income over expenditure (excluding restricted fixed asset reserve and restricted pension reserve) is £240,476.

As at 31 August the Trust had consolidated free reserves of £1,215,555 (all reserves excluding restricted fixed asset reserve and restricted pension reserve).

The fixed asset reserve at 31 August 2021, representing the Trust's fixed assets and unspent capital grants, is £794,181. The land and buildings where the academies are sited, is owned (but not maintained) by Rochester Diocese, and is not included in this reserve.

The restricted pension reserve at 31 August 2021 is a deficit of £3,141,000. The Trustees consider that this deficit will not have any impact on the Trust as this liability will only crystallise upon the event of the Trust ceasing to exist and without re-brokerage of the member schools. In the extremely unusual circumstances this may occur, the liability is covered by a DfE guarantee.

The Trust applies robust financial management and budgetary control. The budgets reflect the priorities of each academy and the Trust and are approved by the Board. The Trust Board's Finance Committee monitors individual academy financial performance against budget on a termly basis together with the Trust's central services budget. In the interim period between Finance Committee meetings, the Chair of the Board and the Chair of the Finance Committee receive and review monthly summary reports on financial performance against budget.

The Trust's financial policies and procedures have been approved by the Board and comply with the Academies Financial Handbook. These policies and procedures are reviewed and re-approved by the Board on a 3 yearly cycle and also upon changes to the Academies Financial Handbook and changes in Trust practice and procedure.

**Reserves policy**

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors determine the appropriate level of reserves on an annual basis. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's level of unrestricted reserves (total funds less the amount held in fixed assets and restricted funds) at the year-end 31 August 2021 is £927,983 and is retained to enable the Trust to pursue projects at the Directors' discretion. The Directors confirm that they consider the level of reserves to be adequate bearing in mind the future plans of the Trust.

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**Trustees' report (continued)**  
**for the year ended 31 August 2021**

**Investment Policy**

The Trust shall not undertake any form of investment in stocks, shares, bonds or any other similar investment vehicle or in property or buildings other than those related to the establishment, maintenance, carrying on, managing and developing of educational establishments. The suitability of the banking arrangements is reviewed every academic year.

**Fundraising**

The Charities (Protection and Social Investment) Act 2016 requires the Trust to make a statement regarding fundraising activities.

We do not undertake widespread fundraising from the general public and our fundraising activities are limited to seeking donations from the parents of pupils and seeking donations and grants from local and national organisations via their corporate social responsibility schemes. These amounts are presented in our accounts as "Income from donations and capital grants" During the pandemic for this academic year, the opportunity to raise funds via parents so this income has decreased.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the key management team, who are accountable to the Trustees.

The Trust has received no complaints in relation to fundraising activities. The appropriateness of our fundraising activity continues to form a natural part of our risk management framework and our scheme of delegation.

**Principal risks and uncertainties**

The Trust's principal risk and uncertainty concerns the provision of funding from central Government which is the major source of income for the academies and hence funding for the Trust. The current economic climate may see a reduction in funding, which may result in the Trust having a deficit budget in the future. Although the Trust and its academies have taken steps to make savings, these alone will not compensate for a reduction in central funding. In addition, further economies within the academies might impact on educational standards. This together with the recent increase in the minimum wage and pension contribution changes may further reduce flexibility to maintain current staffing levels.

The Trust took action to mitigate risk because of a falling roll and reduced budget at St John's CE Infants in July 2019, carrying out a restructure of staffing. This has enabled us to operate the school during the 2020-2021 year within budget and despite Covid associated additional costs. While the drop in roll seems to have stabilized close monitoring is continuing to ensure that it can operate within budget.

There are increasing risks due to ageing boilers and buildings which may require substantial capital works and money has been set aside to meet these needs should they arise, so that business continuity can be maintained.

The succession planning for the Trust in relation to key Directors and senior leaders, who to date, have played a pivotal role in the development of the Trust may become an issue; however, the Board is actively working to recruit more Directors with skills which enhance and complement those of existing Directors.

The Trust and its academies also acknowledge the continued importance of up-to-date, suitable and secure IT systems at all its academies and the potential issues that can be experienced by staff and students as a result of any failures. The trust has policies and procedures in place which meet the increased expectations of the changes to data protection that came into effect in May 2018. These have continued to be effective during the 2020-2021 year with no notification of breaches needed to the ICO. We have also updated IT infrastructure and equipment in schools so that they can continue to deliver a 21st Century curriculum. All school staff have completed cyber security training and the trust has confirmed with its consultants that required back up systems are sufficient and in place.

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**Trustees' report (continued)**  
**for the year ended 31 August 2021**

The Trust had its performance and growth plan reviewed by the Regional Schools Commissioner prior to the pandemic. Currently there is capacity in the senior leadership teams to support this expansion, which is planned to be measured and so sustainable. However, expansion also exposes the Trust and its academies to potentially risky alliances both financial and educational. The Trust conducts thorough due diligence checks when a school applies to join us, to mitigate risk. The successful transfer of St James Primary Academy into the Trust and early repayment to ESFA of legacy debts during the Autumn term 2020 is evidence of our capacity to grow and support schools in challenging circumstances.

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**Trustees' report (continued)**  
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Recruitment and retention of a high quality teaching staff is monitored and reviewed. All Trust schools were fully staffed during the 2020-2021 academic year, but the Trust is aware that it is becoming increasingly difficult to recruit to teacher vacancies. The Trust is mitigating risk by developing career pathways within the Trust so that we are employers of choice. We ensure that there is meaningful career development for all staff and during the last year have provided opportunities for senior and middle leaders to gain skills.

In addition the Trust is registered with a range of teacher training schemes (Teach First, Schools Direct) to attract high calibre trainee teachers into post.

The Trust also acknowledges that negative public relations with stakeholders and the wider community as a result of a poor Ofsted or SIAMS inspection or safeguarding issues may damage the reputation of the Trust and affect pupil numbers. All academies in the Trust were judged good by Ofsted in their June/July 2018 inspection and all have a good SIAMS inspection judgement under the new SIAMs framework.

The Trust maintains a live risk register which is reviewed regularly to assess changes and emerging risks. This register is available for review at Local Governing Body and Board meetings. The Directors are responsible for identifying risks faced by the Trust, establishing procedures to mitigate these risks, and ensuring that employees are aware of these procedures and of the implications of failing to implement them. The Directors have delegated the more detailed scrutiny of the risks faced by the Trust to the Board Finance Committee which also reviews the mitigation put in place to combat the risk. This committee advises the Directors on the significant risks faced by the Trust and its academies. The Directors confirm that the major risks, to which the Trust is exposed, as identified in the risk register, have been reviewed and systems and procedures are in place to manage these potential risks. Furthermore, the Directors are satisfied that each academy has undertaken a detailed review of those risks specific to the academy and procedures have been put in place to manage those risks. The Directors are satisfied that these procedures are consistent with the guidelines issued by the Charity Commission.

We commission internal audits and as a result have introduced additional controls for use of bank cards.

The Directors acknowledge that they have overall responsibility for ensuring that the Trust has effective and appropriate systems of control, both financial and non-financial.

The risks and uncertainties associated with the Covid pandemic have been managed well during this academic year. We have been rigorous in producing and reviewing risk assessments to mitigate and reduce risk. We maintain an up to date knowledge of guidance that is released and have ensured that staff who may be at higher risk have individual risk assessments. These are reviewed at least monthly. The success of our actions can be found in the performance section where we had a significantly higher than national attendance during the year. It is apparent that children have some gaps in learning caused by the change in teaching during the pandemic. We are using the catch up funds to address these gaps in learning.

We will continue to manage Covid associated risks as they arise, and if necessary draw on reserves for additional unfunded costs as presented to and approved by Board.

We have applied the NJC term time only annual leave calculation in August 2020 (backdated to April 2020) and are aware that Unions are seeking a settlement on behalf of their employees. As a result we have identified a possible need to pay this from reserves and will continue to monitor this during the next year.

As the trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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**Trustees' report (continued)**  
**for the year ended 31 August 2021**

**Plans for future periods**

**Future developments**

The Trust's key objective is the advancement of education in the United Kingdom for the public benefit. The Trust's strategic objectives support this key purpose by aiming to:

- Build a strong community of schools with a shared purpose and Christian ethos.
- Achieve the highest standards of learning and achievement for all children and adults. Achieve outstanding teaching and learning.
- Develop an engaging and exciting curriculum for the 21st Century. Build a reputation for excellence in the community.
- Ensure that every child leaving our Academies is well equipped for the next stage of their education. Use innovative approaches to joint procurement to achieve Trust efficiencies and value for money. Nurture and develop School leadership including governance across the Trust empowering leaders to work beyond good and outstanding.
- Maintain a very effective management of risk due to Covid so that we are able to remain open at every school site and continue to provide daily on site learning for all pupils. If this is not possible due to a high incidence of Covid locally and government restrictions we aim to maintain effective remote learning for all pupils.

During 2020-2021 the Academies built upon their effective partnerships as a result of strong relationships between leaders in schools and recognition of the expert skills of individuals. Our focus on career progression for staff at all levels will continue in 2021-2022 and middle leaders and subject specialist development will continue with more entering and successfully achieving accredited training.

In 2021-2022 we will use the thorough assessments from Summer 2021 to continue to plan a curriculum that will address gaps in learning caused by the Covid pandemic. We will continue to work to increase progress of pupils in our schools especially in all year groups. The impactful focus on phonics will continue to further raise standards.

We will continue to address the wellbeing of all children, families and staff – this is a key workstream given the challenges caused by the pandemic.

Workload will be carefully managed and actions put in place to maintain good communication with our families through phone and multimedia means as well as more traditional methods in response to the Covid pandemic.

Consultant professionals will continue to be commissioned to visit to advise and support our children. We will develop new ways of working with professionals so that the capacity of our school teams to support children should regulations restrict visitors into school.

**Funds held as custodian**

The Incorporated Rochester Diocesan Board of Education (Company number 00046014) is the site Trustee for each Academy and should therefore be treated as the Custodian Trustee. The Incorporated Rochester Diocesan Board of Education is a Private Limited Company by guarantee without share capital use of 'Limited' exemption for the purpose of providing educational support services. The objectives and principal activities of the Incorporated Rochester Diocesan Board of Education (which is also a member of the Medway Anglican Schools Trust) are:

The Board's Corporate Funds are held to be applied in accordance with the objects clause of its Memorandum and Articles of Association which is:

- a. To maintain and extend education in and knowledge of the Christian religion in general and the faith and practice of the Church of England in particular to all sections of the community within the Diocese of Rochester.
- b. To carry out the functions of the Diocesan Board of Education for the Diocese of Rochester under the provisions of the Diocesan Boards of Education Measure 1991 and any legislation amending, supplementing or replacing the same.

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- c. The Diocese of Rochester Consolidated Educational Endowments were created by a resolution of the Board passed on 9 November 1994 and are held on the terms of the Uniform Statutory Trusts under Schedule 36 of the Education Act 1996.

**Employee involvement and employment of the disabled**

The Trust has a policy to eliminate unlawful discrimination and harassment on the grounds of disability and to promote equal opportunities and a positive attitude towards disabled employees.

The Trust has management systems in place to provide information to and to consult staff on matters affecting them.

**Political Donations**

The Trust has not made any political donations during the year.

**Provision of information to Auditor**

In so far as the trustees are aware:

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

**Auditors**

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2021 and signed on its behalf by:



**J Clarke**  
Chair of Trustees



**H Sanders**  
CEO

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**Governance Statement**

**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Medway Anglican Schools 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 CEO, 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 Medway Anglican Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
J Clarke, Chair	7	7
R Jones	6	7
H Sanders	7	7
G Mond	5	7
S Coleman	7	7
D Welch (appointed 14 January 2021)	6	7
K Cook (appointed 14 January 2021)	4	4
J Carthy (resigned 31 August 2021)	3	4

During the 2020-2021 academic year, the Trust Board has been strengthened by the appointment of two more Directors; one with expertise in construction and business management and the other with experience in banking and finance. These appointments have broadened the skillset of the Board.

During the sixth year of operation, the Board has continued to set the strategic direction of the Trust and checked that management systems and key policies are in place to so that the Trust meets the requirements of the law and the Education Funding Agency's Financial Handbook.

The Board and its Local Governing Bodies, complete skills audits annually and these were used to plan a series of CPD sessions that were delivered virtually during the last year. The Board has monitored the work of the Local Governing Bodies to ensure that they are effective and follow the policies and procedures of the Trust. It has worked effectively to promote good communication from Local Governing Bodies to the Board and vice versa. The Governor training sessions were well attended and were more impactful as the principles and skills could be applied directly in context of the Academies and the Trust. Communication has improved across the year, attendance of Directors at Local Governing Body meetings when necessary provides quality assurance and the opportunity for robust discussions. There have been some changes in governance membership at Board and local governing bodies and the Board has reviewed the effectiveness of governance, feeding back to local Chairs and setting clear expectations for governance performance. Each local governing body writes and submits an annual impact statement and the Chair and headteacher are invited to attend standards board to review and challenge the school standards at least once during the year.

The Board continues to hold the Pay Review Committee for all schools in the trust and headteachers present their pay recommendations to the Board Review Committee; this ensures consistency across the Trust and that the members of the committee have the skills to make informed decisions.

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**Governance Statement (continued)**

**Governance (continued)**

The Board has continued to maintain its planned diary of Board meetings during the pandemic; these were held as virtual meetings and included both the standard agenda items as well as items relevant to the Covid-19 Pandemic including: monitoring of: risk assessments; remote learning during lockdown; impact of staff and pupil absence on learning; use of data and information to compare attendance in Trust schools with that of pupils locally and nationally; use of additional Covid recovery funds to increase the momentum of learning for those most at risk of falling behind. The Trust Directors, continued to monitor academic standards through scrutiny of both summative baseline and end of year tests as well as teacher assessed pupil achievement during the year.

The Trust Board agenda, always includes coverage of items on: safeguarding; health and safety; risk assessment; standards (attendance, academic standards; absence (both staff and pupils); statutory compliance and timely returns to ESFA. The CEO as accounting officer, is held to account by the Board and is expected to provide information for every school in the Trust, which assists the Board in evaluating the performance of its schools.

In addition during the year, the Board held a rigorous appointment process to appoint a substantive headteacher following the promotion of the previous post holder.

The Finance and Audit Committee met on three occasions during the year. This was to ensure that statutory returns and controls were effective and compliant and to set the focus for internal audit. The committee review the management accounts, risk assessments, finance policies, cashflow and other documents as part of the agenda.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
G Mond	3	3
S Coleman, Chair of Finance	3	3
J Carthy	2	3
R Jones	3	3
H Sanders, CEO and Accounting Officer	3	3

The Finance and Audit Committee is a sub-committee of the main governing body. Its purpose is to assist the decision making of the Directors' Board, by enabling more detailed consideration to be given to the best means of fulfilling the Board's responsibility to ensure sound management of the academy's public and private finances and resources including the buildings and:

- To ensure that the Academy undertakes proper planning, monitoring and probity.
- To make appropriate comments and recommendations on such matters to the governing body on a regular basis.
- To refer major issues to the Executive Board for approval or ratification. To fulfil the functions required by law of the Audit Committee.

The Finance Committee met three times during the year.

The pay panel meets once a year, and interrogates and approves the pay awards for teachers across the Trust.

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**Governance Statement (continued)**

**Governance (continued)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Clarke	1	1
G Mond	1	1
H Sanders, CEO and Accounting Officer	1	1
R Jones	1	1

The Pay Review committee is a sub committee of the main governing body. Its purpose is to assist the decision making of the Directors' Board in relation to pay awards.

The current terms of reference are:

- To implement the Pay Policy in a fair and objective manner and to consider any individual representations that may be made in respect of pay decisions;
- To undertake an annual pay review for each teaching member of staff based on the criteria set out in the Pay Policy with effect from 1 September;
- To observe all statutory and contractual obligations, including making arrangements to notify pay decisions to individual members of staff within appropriate timescales;
- To consider recommendations of the reviewer/Headteacher for pay rises and generically report these decisions to the next meeting of the Trust Board and Local Governing Body;
- To consider any written representations made by employees.
- To recommend to the Governing Body the annual budget required for pay purposes, including provision for discretionary pay advancement arising from performance reviews;
- To keep informed of relevant developments including legislation and statutory guidance affecting the Pay Policy and to review and to recommend changes or modification to the Trust Board, as appropriate and at least annually;
- To ensure the performance review of the Headteacher has been carried out and review the recommendation from the Headteacher performance management panel on the salary of the Headteacher for salary ratification.
- To ensure the Headteacher Performance management panel works with an External Adviser for the performance review of the Headteacher alongside the CEO, 1 director and Local Governing body Chair.

The pay review committee met once during the year.

**Review of value for money**

As accounting officer the CEO 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 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:

- Following and implementing the guidance for PPNs during the Covid-19 pandemic, including seeking and securing detailed information from our suppliers, so that any invoices submitted for payment are both fair and accurate. This included ensuring that we were not charged for contractors staff where furlough and other government funding streams may also have been sought by the supplier.
- Central procurement PPE where this reduced costs and meant that supplies were available promptly.
- Ensuring that all available IT devices were deployed for the benefit of pupils during the lockdown period so that remote learning could be accessed by pupils and supplying paper and physical resources where these were of more use for learning.
- Joined with the Westbrook Trust to procure a new catering contract and new energy contract with best value for money for both Trusts.

**Medway Anglican Schools Trust**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

**Review of value for money (continued)**

- Secured high quality teaching and leadership candidates so that our schools continue to provide a good quality of education.
- All statutory deadlines for information have been met within the usual timescales even when extensions were possible due to Covid.
- Schools remained open throughout the year for key worker and vulnerable children and the impact of this can be found in the progress of pupils.
- Expenditure during the year was within budget, despite Covid. This was despite the need to employ additional teachers to cover maternity cover from 28 weeks gestation for four teachers – a cost that couldn't be identified when planning the budget for the year. Rental income was reduced due to the pandemic.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Medway Anglican Schools Trust for the period 1st September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1st September 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.

**The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has decided to employ Azets as internal auditor.

The internal auditors role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included: testing of purchase systems where the bank cards were used.

**Medway Anglican Schools Trust**  
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**Governance Statement (continued)**

**The risk and control framework (continued)**

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

Azets delivered their planned schedule of work and there were no material control issues arising. However, amendments were made to the finance handbook to further exemplify the use of bank cards for purchases and these procedures are now consistent in all trust schools.

**Review of effectiveness**

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process and the school resource management self-assessment tool
- 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 by the Finance Committee 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 on 7 December 2021  
their behalf by:

and signed on



**J Clarke**  
Chair of Trustees



**H Sanders**  
Accounting Officer

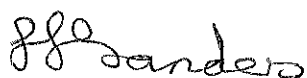
**Medway Anglican Schools Trust**  
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**Statement on Regularity, Propriety and Compliance**

As accounting officer of Medway Anglican Schools Trust I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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 board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy'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.



**H Sanders**  
Accounting Officer  
Date: 7 December 2021

**Medway Anglican Schools Trust**  
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**Statement of Trustees' responsibilities**  
**for the year ended 31 August 2021**

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 . 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 on  
7 December 2021 and signed on its behalf by:



**J Clarke**  
Chair of Trustees

**Medway Anglican Schools Trust**  
**(A company limited by guarantee)**

**Independent auditors' Report on the financial statements to the Members of Medway Anglican Schools Trust**

**Opinion**

We have audited the financial statements of Medway Anglican Schools Trust (the 'academy') 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.

In our opinion the financial statements:

- give a true and fair view of the state of the academy'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 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'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.

**Medway Anglican Schools Trust**  
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**Independent auditors' Report on the financial statements to the Members of Medway Anglican Schools Trust (continued)**

**Other information**

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

We have nothing to report in this regard.

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

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

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

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

In the light of our knowledge and understanding of the academy 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 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'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 or to cease operations, or have no realistic alternative but to do so.

**Independent auditors' Report on the financial statements to the Members of Medway Anglican Schools Trust (continued)**

**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:

*Capability of the audit in detecting irregularities, including fraud*

Based on our understanding of the Academy Trust and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to child protection and safeguarding, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, Academies Accounts Direction, Academies Financial Handbook, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of land and buildings and revenue and noncompliance with financial management and governance requirements which are consistent with the obligations of public funded bodies). Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Consideration of income streams, completeness of income and compliance with the obligations of funders including the ESFA
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including the misuse of public funding in areas such as cash, payroll and credit card expenditure; and
- Review of cash and credit card expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of corporate governance arrangements; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and

**Medway Anglican Schools Trust**  
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**Independent auditors' Report on the financial statements to the Members of Medway Anglican Schools Trust (continued)**

- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Medway Anglican Schools Trust**  
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**Independent auditors' Report on the financial statements to the Members of Medway Anglican Schools Trust (continued)**

**Use of our report**

This report is made solely to the academy'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'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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Kreston Reeves LLP*

**Peter Manser FCA DChA (Senior statutory auditor)**

for and on behalf of  
**Kreston Reeves LLP**

Statutory Auditor  
Chartered Accountants

Canterbury

7 December 2021

**Medway Anglican Schools Trust**  
**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 30 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 Medway Anglican Schools 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 Medway Anglican Schools Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Medway Anglican Schools 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 Medway Anglican Schools Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Medway Anglican Schools Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Medway Anglican Schools Trust's funding agreement with the Secretary of State for Education dated 24 August 2015 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.

**Medway Anglican Schools Trust**  
**(A company limited by guarantee)**

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

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Reviewed that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed minutes of Governing Body minutes for declaration of interests
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.

**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.

*Kreston Reeves LLP*

**Kreston Reeves LLP**

Reporting Accountant  
Chartered Accountants

Canterbury

Date: 7 December 2021

**Medway Anglican Schools Trust**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**  
**for the year ended 31 August 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>						
Donations and capital grants	4	6,058	-	142,190	148,248	234,256
Charitable activities	5	-	4,781,144	-	4,781,144	4,506,780
Other trading activities	6	74,200	-	-	74,200	121,916
Investments	7	147	-	-	147	582
<b>Total income</b>		<b>80,405</b>	<b>4,781,144</b>	<b>142,190</b>	<b>5,003,739</b>	<b>4,863,534</b>
<b>Expenditure on:</b>						
Charitable activities	8	2,690	4,904,668	129,555	5,036,913	4,812,017
<b>Total expenditure</b>	9	<b>2,690</b>	<b>4,904,668</b>	<b>129,555</b>	<b>5,036,913</b>	<b>4,812,017</b>
<b>Net income / (expenditure)</b>		<b>77,715</b>	<b>(123,524)</b>	<b>12,635</b>	<b>(33,174)</b>	<b>51,517</b>
Transfers between funds	18	(1,436)	(11,597)	13,033	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>76,279</b>	<b>(135,121)</b>	<b>25,668</b>	<b>(33,174)</b>	<b>51,517</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(202,000)	-	(202,000)	267,000
<b>Net movement in funds</b>		<b>76,279</b>	<b>(337,121)</b>	<b>25,668</b>	<b>(235,174)</b>	<b>318,517</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		851,704	(2,516,307)	768,513	(896,090)	(1,214,607)
Net movement in funds		76,279	(337,121)	25,668	(235,174)	318,517
<b>Total funds carried forward</b>		<b>927,983</b>	<b>(2,853,428)</b>	<b>794,181</b>	<b>(1,131,264)</b>	<b>(896,090)</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 39 to 68 form part of these financial statements.

**Medway Anglican Schools Trust**  
**(A company limited by guarantee)**  
**Registered number: 09628754**

**Balance sheet**  
**as at 31 August 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	15	753,544	738,283
<b>Current assets</b>			
Debtors	16	198,250	327,048
Cash at bank and in hand		1,478,537	1,390,934
		<u>1,676,787</u>	<u>1,717,982</u>
Creditors: amounts falling due within one year	17	(420,595)	(777,355)
<b>Net current assets</b>		<u>1,256,192</u>	940,627
<b>Total assets less current liabilities</b>		<u>2,009,736</u>	1,678,910
Defined benefit pension scheme liability	25	(3,141,000)	(2,575,000)
<b>Total net liabilities</b>		<u>(1,131,264)</u>	<u>(896,090)</u>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	794,181	768,513
Restricted income funds	18	287,572	58,693
		<u>1,081,753</u>	<u>827,206</u>
Restricted funds excluding pension asset	18	1,081,753	827,206
Pension reserve	18	(3,141,000)	(2,575,000)
<b>Total restricted funds</b>	18	<u>(2,059,247)</u>	(1,747,794)
<b>Unrestricted income funds</b>	18	927,983	851,704
<b>Total funds</b>		<u>(1,131,264)</u>	<u>(896,090)</u>

The financial statements on pages 36 to 68 were approved by the Trustees, and authorised for issue on 7 December 2021 and are signed on their behalf, by:



**J Clarke**  
Chair of Trustees

The notes on pages 39 to 68 form part of these financial statements.

**Medway Anglican Schools Trust**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**for the year ended 31 August 2021**

	<b>Note</b>	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<b>120,158</b>	104,617
<b>Cash flows from investing activities</b>	21	<b>(32,555)</b>	(99,415)
<b>Change in cash and cash equivalents in the year</b>		<b>87,603</b>	5,202
Cash and cash equivalents at the beginning of the year		<b>1,390,934</b>	1,385,732
<b>Cash and cash equivalents at the end of the year</b>	22, 23	<b>1,478,537</b>	1,390,934

The notes on pages 39 to 68 form part of these financial statements

**Medway Anglican Schools Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2021**

**1. General information**

Medway Anglican Schools Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is St Margaret's C of E Junior School, Orchard Street, Rainham, Gillingham, Kent, ME8 9AE. The principal activity of the academy trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

**2. Accounting policies**

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

**2.1 Basis of preparation of financial statements**

The financial statements of the academy, 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.

Medway Anglican Schools Trust meets the definition of a public benefit entity under FRS 102.

The academy trust's functional and presentational currency is Pounds Sterling.

The academy trust's financial statements are presented to the nearest pound.

**2.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. While the impact of the COVID-19 pandemic has been assessed by the Trustees as far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the Academy Trust's activities.

However, taking into consideration the UK Government's response and its continued support of schools, as well as the Academy Trust's own reserves and planning, 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. The Trustees confirm that 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 academy trust's balance sheet is in a net liability position at the year end. However, there are healthy bank balances at the year end of £1,478,537 and net current assets of £1,256,192.

**Notes to the financial statements**  
**for the year ended 31 August 2021**

**2. Accounting policies (continued)**

**2.3 Income**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

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

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's accounting policies.

**Notes to the financial statements**  
**for the year ended 31 August 2021**

**2. Accounting policies (continued)**

**2.4 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**2.5 Interest receivable**

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

**2.6 Taxation**

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

**2.7 Tangible fixed assets**

Assets costing £1,000 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.

**Notes to the financial statements**  
**for the year ended 31 August 2021**

**2. Accounting policies (continued)**

**2.7 Tangible fixed assets (continued)**

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:

Fixtures and fittings	- Over 5 - 10 years straight line
Computer equipment	- Over 3 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

The Rochester Diocesan Board of Education own the legal title of the land and property of the sites of the schools that the Academy Trust operates. In these circumstances, in the opinion of the trustees, the Academy Trust's rights over the premises does not meet the definition of an asset as the Academy Trust does not have control over the premises. Accordingly, the Academy Trust has not recognised any land and property in the financial statements. There are no formal leases in place and the Rochester Diocesan Board of Education does not charge any rent for the use of these properties.

**2.8 Debtors**

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

**2.9 Cash at bank and in hand**

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

**2.10 Liabilities**

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

**2.11 Provisions**

Provisions are recognised when the academy has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

**Notes to the financial statements**  
**for the year ended 31 August 2021**

**2. Accounting policies (continued)**

**2.12 Financial instruments**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 16. 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 note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**2.13 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.14 Pensions**

Retirement benefits to employees of the academy 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 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 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.

**Medway Anglican Schools Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2021**

**2. Accounting policies (continued)**

**2.15 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

**Notes to the financial statements**  
**for the year ended 31 August 2021**

**3. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

*Multi-employer defined benefit pension scheme*

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 25, 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.

*Tangible fixed assets*

The Academy Trust has recognised tangible fixed assets with a carrying value of £753,544 at the reporting date (see note 15). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

The Rochester Diocesan Board of Education own the legal title of the land and property of the sites of the schools that the Academy Trust operates. Accordingly, the Academy Trust has not recognised any land and property in the financial statements.

Critical areas of judgment:

*Multi-employer defined benefit pension scheme*

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the Trustees, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 25 for further details.

**Medway Anglican Schools Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 August 2021**

**3. Critical accounting estimates and areas of judgment (continued)**

*Lease commitments*

The Academy Trust has entered into a range of lease commitments in respect of equipment. The classification of these leases as either financial or operating leases requires the governors to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

*Going concern*

In the judgement of the Trustees it is appropriate to prepare the financial statements in accordance with the going concern basis of accounting. See note 2.2 for further details.

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

	<b>Unrestricted funds 2021 £</b>	<b>Restricted fixed asset funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
Donations	6,058	27,300	<b>33,358</b>	15,872
Capital Grants	-	114,890	<b>114,890</b>	218,384
	<u>6,058</u>	<u>142,190</u>	<u><b>148,248</b></u>	<u>234,256</u>
Total 2020	<u>15,872</u>	<u>218,384</u>	<u>234,256</u>	

**Medway Anglican Schools Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2021**

**5. Funding for the academy's educational operations**

	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	3,750,565	<b>3,750,565</b>	3,597,584
Other DfE/ESFA grants			
Other ESFA grants	259,089	<b>259,089</b>	180,869
Pupil Premium	327,922	<b>327,922</b>	302,355
Teacher's Pay Grant	179,386	<b>179,386</b>	179,117
	<hr/> 4,516,962	<hr/> <b>4,516,962</b>	<hr/> 4,259,925
<b>Other Government grants</b>			
Local Authority grants	264,182	<b>264,182</b>	246,855
	<hr/> 264,182	<hr/> <b>264,182</b>	<hr/> 246,855
	<hr/> 4,781,144	<hr/> <b>4,781,144</b>	<hr/> 4,506,780
	<hr/> <hr/> 4,506,780	<hr/> <hr/> <b>4,506,780</b>	
Total 2020			<hr/> <hr/> 4,506,780

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Teacher's Pay Grant and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

**Medway Anglican Schools Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2021**

**6. Income from other trading activities**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
Trip income	9,460	<b>9,460</b>	14,639
Lettings income	-	-	840
Consultancy income	3,049	<b>3,049</b>	3,131
Music services income	3,023	<b>3,023</b>	5,077
Catering income	15,695	<b>15,695</b>	31,353
Uniform income	-	-	475
Supply Teacher Insurance income	14,950	<b>14,950</b>	16,245
Miscellaneous income	28,023	<b>28,023</b>	50,156
<b>Total 2021</b>	<u>74,200</u>	<u><b>74,200</b></u>	<u>121,916</u>
Total 2020	<u>121,916</u>	<u>121,916</u>	

**7. Investment income**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
Bank interest	147	<b>147</b>	582
Total 2020	<u>582</u>	<u>582</u>	

**Medway Anglican Schools Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2021**

**8. Expenditure**

	<b>Staff Costs</b> <b>2021</b> £	<b>Premises</b> <b>2021</b> £	<b>Other</b> <b>2021</b> £	<b>Total</b> <b>2021</b> £	Total 2020 £
Educational operations:					
Direct costs	3,162,442	-	170,542	<b>3,332,984</b>	3,266,239
Support costs	990,095	193,424	520,410	<b>1,703,929</b>	1,545,778
	<u>4,152,537</u>	<u>193,424</u>	<u>690,952</u>	<b><u>5,036,913</u></b>	<u>4,812,017</u>
Total 2020	<u>3,962,161</u>	<u>165,305</u>	<u>684,551</u>	<u>4,812,017</u>	

**9. Analysis of expenditure by activities**

	<b>Activities</b> <b>undertaken</b> <b>directly</b> <b>2021</b> £	<b>Support</b> <b>costs</b> <b>2021</b> £	<b>Total</b> <b>funds</b> <b>2021</b> £	Total funds 2020 £
Educational operations	<u>3,332,984</u>	<u>1,703,929</u>	<b><u>5,036,913</u></b>	<u>4,812,017</u>
Total 2020	<u>3,266,239</u>	<u>1,545,778</u>	<u>4,812,017</u>	

**Medway Anglican Schools Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2021**

**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Staff costs	<b>3,162,442</b>	3,079,744
Education supplies	<b>151,324</b>	167,051
Absence insurance	<b>19,218</b>	19,444
	<b><u>3,332,984</u></b>	<b><u>3,266,239</u></b>

**Analysis of support costs**

	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Pension interest cost	<b>40,000</b>	46,000
Staff costs	<b>990,095</b>	882,417
Depreciation	<b>129,555</b>	81,786
Staff training	<b>10,039</b>	20,051
Staff recruitment costs	<b>20,277</b>	23,791
Maintenance and premises and equipment	<b>65,020</b>	76,928
Cleaning	<b>35,009</b>	22,964
Rates	<b>36,655</b>	19,821
Light and heat	<b>56,661</b>	45,517
Insurance	<b>25,414</b>	24,438
Staff travel	<b>335</b>	764
Catering costs	<b>88,334</b>	108,156
Computer costs	<b>91,633</b>	85,258
Printing, postage and stationery	<b>23,366</b>	24,068
Telephone	<b>10,493</b>	6,637
Sundry admin costs	<b>30,394</b>	30,203
Legal and professional	<b>50,649</b>	46,979
	<b><u>1,703,929</u></b>	<b><u>1,545,778</u></b>

**Medway Anglican Schools Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2021**

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

Net income/(expenditure) for the year includes:

	<b>2021</b>	2020
	£	£
Depreciation of tangible fixed assets	<b>129,555</b>	81,785
Fees paid to auditors for:		
- audit	<b>9,475</b>	9,475
- other services	<b>5,900</b>	6,950
	<u><u>          </u></u>	<u><u>          </u></u>

**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2021</b>	2020
	£	£
Wages and salaries	<b>2,904,649</b>	2,848,621
Social security costs	<b>232,988</b>	231,557
Pension costs	<b>951,853</b>	846,995
	<u>          </u>	<u>          </u>
	<b>4,089,490</b>	3,927,173
Agency staff costs	<b>63,047</b>	34,988
	<u>          </u>	<u>          </u>
	<b>4,152,537</b>	3,962,161
	<u><u>          </u></u>	<u><u>          </u></u>

**b. Staff numbers**

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

	<b>2021</b>	2020
	No.	No.
Teachers	<b>37</b>	41
Administration and support	<b>93</b>	98
Management	<b>12</b>	12
	<u>          </u>	<u>          </u>
	<b>142</b>	151
	<u><u>          </u></u>	<u><u>          </u></u>

**Medway Anglican Schools Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2021**

**11. Staff (continued)**

**c. Higher paid staff**

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

	<b>2021</b>	2020
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>1</b>	1
In the band £70,001 - £80,000	<b>1</b>	1
	<b>=====</b>	<b>=====</b>

Both of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for these employees amounted to £32,077 (2020: £33,830).

**d. Key management personnel**

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total salaries received by key management personnel for their services to the academy trust was £675,213 (2020: £634,851). Employer pension contributions were a total of £146,996 (2020: £145,418) and employer national insurance contributions were a total of £72,971 (2020: £72,388).

**12. Central services**

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

- Educational support services
- Legal, financial and professional services
- HR services
- Others as arising

The academy charges for these services on the following basis:

A flat percentage of 6% (2020: 5.75%) of total General Annual Grant income.

The actual amounts charged during the year were as follows:

	<b>2021</b>	2020
	<b>£</b>	£
All Saints C of E Primary School	<b>79,064</b>	71,728
St Margaret's C of E Junior School	<b>81,900</b>	74,751
St John's C of E Infants' School	<b>24,489</b>	23,796
St James' C of E Primary School	<b>39,565</b>	36,586
<b>Total</b>	<b>=====</b> <b>225,018</b>	<b>=====</b> 206,861

**Medway Anglican Schools Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2021**

**13. Trustees' remuneration and expenses**

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

		<b>2021</b>	2020
		<b>£</b>	£
H Sanders	Remuneration	<b>45,000 -</b>	45,000 -
		<b>50,000</b>	50,000
	Pension contributions paid	<b>10,000 -</b>	5,000 -
		<b>15,000</b>	10,000

During the year ended 31 August 2021, expenses totalling £688 were reimbursed or paid directly to 1 Trustee (2020 - £713 to 1 Trustee).

**14. Trustees' and Officers' insurance**

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

**Medway Anglican Schools Trust**  
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**Notes to the financial statements**  
**for the year ended 31 August 2021**

**15. Tangible fixed assets**

	Assets under construction £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2020	110,670	642,883	161,793	915,346
Additions	103,734	10,153	33,705	147,592
Disposals	-	(5,124)	(37,629)	(42,753)
Transfers between classes	(214,404)	214,404	-	-
At 31 August 2021	-	862,316	157,869	1,020,185
<b>Depreciation</b>				
At 1 September 2020	-	101,005	76,058	177,063
Charge for the year	-	86,996	42,559	129,555
On disposals	-	(2,349)	(37,628)	(39,977)
At 31 August 2021	-	185,652	80,989	266,641
<b>Net book value</b>				
At 31 August 2021	-	676,664	76,880	753,544
At 31 August 2020	110,670	541,878	85,735	738,283

**16. Debtors**

	2021 £	2020 £
Trade debtors	8,408	10,348
Other debtors	19,158	40,463
Prepayments and accrued income	170,684	276,237
	<b>198,250</b>	<b>327,048</b>

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**Notes to the financial statements**  
**for the year ended 31 August 2021**

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

	<b>2021</b>	2020
	£	£
Trade creditors	<b>114,494</b>	188,046
Other taxation and social security	<b>56,613</b>	55,490
Other creditors	<b>90,633</b>	230,060
Accruals and deferred income	<b>158,855</b>	303,759
	<u><b>420,595</b></u>	<u>777,355</u>
	<u><b>420,595</b></u>	<u>777,355</u>
	<b>2021</b>	2020
	£	£
Deferred income at 1 September 2020	<b>61,991</b>	206,204
Resources deferred during the year	<b>42,129</b>	61,991
Amounts released from previous periods	<b>(61,991)</b>	(206,204)
	<u><b>42,129</b></u>	<u>61,991</u>
	<u><b>42,129</b></u>	<u>61,991</u>

At the balance sheet date the academy trust was holding funds received for universal free school meals in respect of the following financial year.

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**Notes to the financial statements**  
**for the year ended 31 August 2021**

**18. Statement of funds**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
CIF match funding	65,600	-	-	30,400	-	96,000
School improvement fund	100,000	-	-	-	-	100,000
Development of central services	57,000	-	-	-	-	57,000
Repairs fund	200,000	-	-	-	-	200,000
St Margaret's - future roof project	-	-	-	30,000	-	30,000
	<b>422,600</b>	<b>-</b>	<b>-</b>	<b>60,400</b>	<b>-</b>	<b>483,000</b>
<b>General funds</b>						
General Funds	429,104	80,405	(2,690)	(61,836)	-	444,983
<b>Total Unrestricted funds</b>	<b>851,704</b>	<b>80,405</b>	<b>(2,690)</b>	<b>(1,436)</b>	<b>-</b>	<b>927,983</b>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	58,693	3,750,565	(3,349,964)	(229,467)	-	229,827
Other ESFA grants	-	259,089	(201,344)	-	-	57,745
Pupil Premium	-	327,922	(327,922)	-	-	-
Teacher's Pay Grant	-	179,386	(179,386)	-	-	-
Other government grants	-	264,182	(482,052)	217,870	-	-
Pension reserve	(2,575,000)	-	(364,000)	-	(202,000)	(3,141,000)
	<b>(2,516,307)</b>	<b>4,781,144</b>	<b>(4,904,668)</b>	<b>(11,597)</b>	<b>(202,000)</b>	<b>(2,853,428)</b>

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**Notes to the financial statements**  
**for the year ended 31 August 2021**

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Restricted fixed asset funds</b>						
Assets held for depreciation	738,283	27,300	(129,555)	117,516	-	753,544
DfE/ESFA capital grants	30,230	114,890	-	(104,483)	-	40,637
	<u>768,513</u>	<u>142,190</u>	<u>(129,555)</u>	<u>13,033</u>	<u>-</u>	<u>794,181</u>
<b>Total Restricted funds</b>	<u>(1,747,794)</u>	<u>4,923,334</u>	<u>(5,034,223)</u>	<u>1,436</u>	<u>(202,000)</u>	<u>(2,059,247)</u>
<b>Total funds</b>	<u><u>(896,090)</u></u>	<u><u>5,003,739</u></u>	<u><u>(5,036,913)</u></u>	<u><u>-</u></u>	<u><u>(202,000)</u></u>	<u><u>(1,131,264)</u></u>

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

The CIF match funding represents amounts held aside with regards to capital works for school renovations and refurbishments.

The school improvement fund is for mentoring and coaching of early careers teachers and outreach between Trust schools.

GAG represents funds to be used to cover normal running costs of the Academy Trust.

Other DfE/ESFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

Other government grants represents grants provided for specific purposes, such as SEN funding which is used to support pupils with special education needs.

DfE/ESFA capital grants funds is to provide the Academy Trust with its own capital money to address improvements to buildings and other facilities.

The restricted fixed asset fund represents the assets which were donated upon conversion to academy status, and the value of fixed assets purchased since conversion including depreciation to the balance sheet date.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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**Notes to the financial statements**  
**for the year ended 31 August 2021**

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

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
CIF match funding	70,000	-	-	(4,400)	-	65,600
School improvement fund	100,000	-	-	-	-	100,000
Development of central services	57,000	-	-	-	-	57,000
Repairs fund	200,000	-	-	-	-	200,000
	<u>427,000</u>	<u>-</u>	<u>-</u>	<u>(4,400)</u>	<u>-</u>	<u>422,600</u>
<b>General funds</b>						
General Funds	338,036	138,370	(20,325)	(26,977)	-	429,104
<b>Total Unrestricted funds</b>	<u>765,036</u>	<u>138,370</u>	<u>(20,325)</u>	<u>(31,377)</u>	<u>-</u>	<u>851,704</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	3,597,584	(3,302,853)	(236,038)	-	58,693
Other ESFA grants	-	662,341	(662,341)	-	-	-
Pupil Premium	-	246,855	(451,712)	204,857	-	-
Pension reserve	(2,549,000)	-	(293,000)	-	267,000	(2,575,000)
	<u>(2,549,000)</u>	<u>4,506,780</u>	<u>(4,709,906)</u>	<u>(31,181)</u>	<u>267,000</u>	<u>(2,516,307)</u>

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Restricted fixed asset funds</b>						
Assets held for depreciation	501,685	-	(81,786)	318,384	-	738,283
DfE/ESFA capital grants	67,672	218,384	-	(255,826)	-	30,230
	<u>569,357</u>	<u>218,384</u>	<u>(81,786)</u>	<u>62,558</u>	<u>-</u>	<u>768,513</u>
<b>Total Restricted funds</b>	<u>(1,979,643)</u>	<u>4,725,164</u>	<u>(4,791,692)</u>	<u>31,377</u>	<u>267,000</u>	<u>(1,747,794)</u>
<b>Total funds</b>	<u><u>(1,214,607)</u></u>	<u><u>4,863,534</u></u>	<u><u>(4,812,017)</u></u>	<u><u>-</u></u>	<u><u>267,000</u></u>	<u><u>(896,090)</u></u>

**Total funds analysis by academy**

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
All Saints C of E Primary School	513,831	364,713
St Margaret's C of E Junior School	328,436	253,120
St John's C of E Infants' School	121,795	81,545
St James' C of E Primary	190,309	158,166
Medway Anglican Academy Trust - central services	61,184	52,853
Total before fixed asset funds and pension reserve	<u>1,215,555</u>	<u>910,397</u>
Restricted fixed asset fund	794,181	768,513
Pension reserve	(3,141,000)	(2,575,000)
<b>Total</b>	<u><u>(1,131,264)</u></u>	<u><u>(896,090)</u></u>

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**Notes to the financial statements**  
**for the year ended 31 August 2021**

**18. 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</b>	<b>Other support staff costs</b>	<b>Educational supplies</b>	<b>Other costs excluding depreciation</b>	<b>Total 2021</b>	<b>Total 2020</b>
	£	£	£	£	£	£
All Saints C of E Primary School	1,199,316	172,509	37,476	170,851	<b>1,580,152</b>	1,566,923
St Margaret's C of E Junior School	1,097,367	155,390	62,733	159,567	<b>1,475,057</b>	1,426,599
St John's C of E Infants' School	273,099	75,917	23,044	70,415	<b>442,475</b>	458,870
St James' C of E Primary	592,660	118,380	26,148	92,582	<b>829,770</b>	782,624
Medway Anglican Academy Trust - central services	-	467,899	-	112,005	<b>579,904</b>	495,215
<b>Academy</b>	<u>3,162,442</u>	<u>990,095</u>	<u>149,401</u>	<u>605,420</u>	<u><b>4,907,358</b></u>	<u>4,730,231</u>

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

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

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Restricted fixed asset funds 2021 £</b>	<b>Total funds 2021 £</b>
Tangible fixed assets	-	-	753,544	<b>753,544</b>
Current assets	927,983	708,167	40,637	<b>1,676,787</b>
Creditors due within one year	-	(420,595)	-	<b>(420,595)</b>
Provisions for liabilities and charges	-	(3,141,000)	-	<b>(3,141,000)</b>
<b>Total</b>	<u>927,983</u>	<u>(2,853,428)</u>	<u>794,181</u>	<u><b>(1,131,264)</b></u>

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

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Restricted fixed asset funds 2020 £</b>	<b>Total funds 2020 £</b>
Tangible fixed assets	-	-	738,283	738,283
Current assets	851,704	836,048	30,230	1,717,982
Creditors due within one year	-	(777,355)	-	(777,355)
Provisions for liabilities and charges	-	(2,575,000)	-	(2,575,000)
<b>Total</b>	<u>851,704</u>	<u>(2,516,307)</u>	<u>768,513</u>	<u>(896,090)</u>

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**Notes to the financial statements**  
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**20. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	2021 £	2020 £
Net (expenditure)/income for the year (as per Statement of financial activities)	<b>(33,174)</b>	51,517
<b>Adjustments for:</b>		
Depreciation	<b>129,555</b>	81,785
Capital grants from DfE and other capital income	<b>(114,890)</b>	(218,384)
Interest receivable	<b>(147)</b>	(582)
Defined benefit pension scheme cost less contributions payable	<b>322,000</b>	245,000
Defined benefit pension scheme finance cost	<b>42,000</b>	48,000
Decrease in stocks	-	2,543
Decrease in debtors	<b>128,798</b>	8,330
Decrease in creditors	<b>(356,760)</b>	(113,592)
Loss on disposal of Tangible Fixed Assets	<b>2,776</b>	-
<b>Net cash provided by operating activities</b>	<b>120,158</b>	104,617

**21. Cash flows from investing activities**

	2021 £	2020 £
Dividends, interest and rents from investments	<b>147</b>	582
Purchase of tangible assets	<b>(147,592)</b>	(318,381)
Capital grants from DfE Group	<b>114,890</b>	218,384
<b>Net cash used in investing activities</b>	<b>(32,555)</b>	(99,415)

**22. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand and at bank	<b>1,478,537</b>	1,390,934
<b>Total cash and cash equivalents</b>	<b>1,478,537</b>	1,390,934

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**Notes to the financial statements**  
**for the year ended 31 August 2021**

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

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,390,934	87,603	1,478,537
	<u>1,390,934</u>	<u>87,603</u>	<u>1,478,537</u>

**24. Capital commitments**

	2021 £	2020 £
Contracted for but not provided in these financial statements	-	124,849
	<u>-</u>	<u>124,849</u>

**Notes to the financial statements**  
**for the year ended 31 August 2021**

**25. Pension commitments**

The academy'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 £70,123 were payable to the schemes at 31 August 2021 (2020 - £65,793) 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 £399,550 (2020 - £335,995).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

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**25. 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 £293,000 (2020 - £264,000), of which employer's contributions totalled £226,000 (2020 - £204,000) and employees' contributions totalled £ 67,000 (2020 - £60,000). The agreed contribution rates for future years are 21 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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**

	<b>2021</b>	2020
	%	%
Rate of increase in salaries	<b>3.90</b>	3.30
Rate of increase for pensions in payment/inflation	<b>2.90</b>	2.30
Discount rate for scheme liabilities	<b>1.65</b>	1.60
Inflation assumption (CPI)	<b>2.90</b>	2.30
Commutation of pensions to lump sums	<b>50.00</b>	50.00
Inflation assumption (RPI)	<b>3.20</b>	3.10

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

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

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**Notes to the financial statements**  
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**25. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2021</b>	2020
	<b>£000</b>	£000
Discount rate +0.1%	<b>(154,000)</b>	(125,000)
Discount rate -0.1%	<b>158,000</b>	129,000
Mortality assumption - 1 year increase	<b>274,000</b>	204,000
Mortality assumption - 1 year decrease	<b>(263,000)</b>	(196,000)
Salary rate +0.1%	<b>21,000</b>	18,000
Salary rate -0.1%	<b>(21,000)</b>	(18,000)

**Share of scheme assets**

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

	<b>2021</b>	2020
	<b>£</b>	£
Equities	<b>2,388,000</b>	1,905,000
Gilts	<b>20,000</b>	20,000
Other bonds	<b>506,000</b>	380,000
Property	<b>375,000</b>	323,000
Cash	<b>104,000</b>	90,000
Absolute return fund	<b>254,000</b>	224,000
<b>Total market value of assets</b>	<b>3,647,000</b>	2,942,000

The actual return on scheme assets was £440,000 (2020 - £227,000).

The amounts recognised in the Statement of financial activities are as follows:

	<b>2021</b>	2020
	<b>£</b>	£
Current service cost	<b>(548,000)</b>	(449,000)
Interest income	<b>49,000</b>	56,000
Interest cost	<b>(89,000)</b>	(102,000)
Administrative expenses	<b>(2,000)</b>	(2,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(590,000)</b>	(497,000)

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**25. Pension commitments (continued)**

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

	2021 £	2020 £
<b>At 1 September</b>	<b>5,517,000</b>	5,474,000
Current service cost	<b>548,000</b>	449,000
Interest cost	<b>89,000</b>	102,000
Employee contributions	<b>67,000</b>	60,000
Actuarial (gain)/loss	<b>593,000</b>	(549,000)
Benefits paid	<b>(26,000)</b>	(19,000)
	<hr/>	<hr/>
<b>At 31 August</b>	<b>6,788,000</b>	5,517,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2021 £	2020 £
<b>At 1 September</b>	<b>2,942,000</b>	2,925,000
Interest income	<b>49,000</b>	56,000
Actuarial gains/(losses)	<b>391,000</b>	(282,000)
Employer contributions	<b>226,000</b>	204,000
Employee contributions	<b>67,000</b>	60,000
Benefits paid	<b>(26,000)</b>	(19,000)
Administration expenses	<b>(2,000)</b>	(2,000)
	<hr/>	<hr/>
<b>At 31 August</b>	<b>3,647,000</b>	2,942,000
	<hr/> <hr/>	<hr/> <hr/>

**26. Operating lease commitments**

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

	2021 £	2020 £
Not later than 1 year	<b>13,545</b>	14,750
Later than 1 year and not later than 5 years	<b>33,675</b>	41,579
	<hr/>	<hr/>
	<b>47,220</b>	56,329
	<hr/> <hr/>	<hr/> <hr/>

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**Notes to the financial statements**  
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**27. Members' liability**

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

**28. Related party transactions**

Owing to the nature of the academy 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's financial regulations and normal procurement procedures relating to connected and related party transactions.

In the year, Mr Terry Barron, partner of Fay Cordingley (Head Teacher of St James' C of E Primary, a member of key management personnnel), was employed by the Academy Trust. The total cost to the Academy Trust for the year, including employer's National Insurance and employer's pension contributions, was £30,155 (2020 - £28,843).

Certain Trustees have received remuneration and expenses, already disclosed in note 13.

These transactions were conducted on normal commercial terms, at arm's length, without the exercise of any influence by the related party involved.

**29. Controlling party**

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Trustees. There is no ultimate controlling party.