

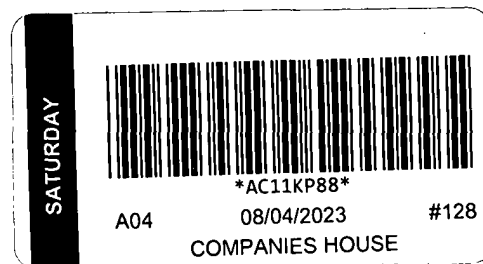
Company Registration Number: 07525735 (England & Wales)

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022



AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 17
Governance Statement	18 - 22
Statement on Regularity, Propriety and Compliance	23
Statement of Trustees' Responsibilities	24
Independent Auditors' Report on the Financial Statements	25 - 28
Independent Reporting Accountant's Report on Regularity	29 - 30
Statement of Financial Activities Incorporating Income and Expenditure Account	31
Balance Sheet	32 - 33
Statement of Cash Flows	34
Notes to the Financial Statements	35 - 65

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Giles Lambert (appointed 29 March 2022) Mr Simon Parker (resigned 29 March 2022) Rochester Diocesan Board of Education Bishop Simon Burton-Jones, Bishop of Tonbridge Rev Victoria Pask, Area Dean of Bromley Archdeacon Katrina Barnes, Archdeacon of Bromley and Bexley
Trustees	Fr Jeremy Blunden Mrs Kathy Griffiths, Chief Executive and Accounting Officer Mr Nigel Petrie (appointed 1 July 2022) Ms Sue Mordecai Mrs Victoria Cliff Mr Giles Lambert, Chair of Trustees (from 29 March 2022) Mr Seun Odeneye Ms Sui-Te Wu Mr Terry Hyland (resigned 23 February 2022) Mr Simon Parker, Chair of Trustees (to 29 March 2022) (resigned 31 August 2022)
Company registered number	07525735
Company name	Aquinas Church of England Education Trust Limited
Principal and registered office	Bishop Justus Church of England School Magpie Hall Lane Bromley Kent BR2 8HZ
Company secretary	Janet Vick
Chief executive officer	Kathy Griffiths
Senior management team	Mrs Kathy Griffiths, CEO and Accounting Officer Ms Mary Capon, Company Secretary and Director of Communications (resigned 31 August 2022) Mr Andrew Ferguson, Chief Finance Officer Ms Janet Vick, Director of Human Resources (resigned 31 August 2022) Mrs Laura Pearson, Training and Development Director Mrs Geraldine Shackleton, Primary Education Director Mr Simon Murphy, Secondary Education Lead
Independent auditors	Cooper Parry Group Limited Chartered Accountants Statutory Auditor Cubo Birmingham Office 401, 4th Floor Two Chamberlain Square Birmingham B3 3AX

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Bankers

Lloyds Bank
6-8 Market Square
Bromley
Kent
BR1 1NA

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report and strategic report under company law.

The Trust operates as an Academy Trust for pupils aged 2 to 19 serving a catchment area in the London Borough of Bromley and East Sussex with a pupil capacity of 5,360 from nursery to year 13 and 4,577 pupils currently enrolled based on the 2022 Census.

Structure, governance and management

a. 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 Trust.

The Trustees are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Aquinas Church of England Education Trust Limited.

Details of the Trustees who served throughout the year and to the date the approval of this report and the financial statements are included in the Reference and Administrative Details on page 1.

b. 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.

c. Trustees' indemnities

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees and local Aquinas Advisory Council Members from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

d. Method of recruitment and appointment or election of Trustees

There must be at least three trustees but there is no maximum. Articles 45 to 49 detail the composition of the board of trustees, with the appointment of trustees being regulated by articles 50 to 58. The board of trustees meets at least six times a year. The arrangements for the appointment of trustees are as follows:

- The members shall appoint at least 5 trustees. The members are the Bishop of Rochester, the Archdeacon of Bromley and Bexley, The Rochester Diocesan Board of Education, The Area Dean of Bromley and the Chairman of the board of trustees.
- Two parent trustees may be appointed only in the event that the trustees have not set up local governing bodies or advisory bodies. The parent trustees are 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 they are elected or appointed.
- Co-opted trustees can be appointed by the trust board as long the trustees appointed by the members are in the majority of at least two.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

The board of trustees annually reviews its effectiveness and skills set and recommends the recruitment and appointment of trustees as a result of this process. The Trust will consider appointing trustees from the advisory bodies of its academies which has the dual effect of enhancing the skills of the Trust board and reinforcing the relationship with governance at academy level. Following such a review, the board of trustees co-opted a member of an academy advisory body as trustee to add capacity to the board and to support the work of the Trust's finance and audit. One member of an advisory body continues to be a member of the Trust's finance and audit committee, thereby encouraging succession from within from the talented individuals who are part of the Trust's governance structure.

The Trust has also used the academy ambassador scheme in order to recruit and appoint trustees. The most recent appointments broaden the skills of the Trust board and support the work of the finance and audit committee. These appointments ensure succession planning within the board of trustees and the necessary knowledge to achieve the Trust's strategy.

As a result of regular self-evaluation and recruitment of new trustees, the Trust board ensures that it has the necessary skills and expertise to meet its responsibilities with all trustees contributing effectively to the function of the board. The recruitment of new trustees also assists the Trust in dealing with the challenges of expansion into a new geographical area.

e. Policies adopted for the induction and training of Trustees

Once appointed, new trustees are able to attend induction training procured from external providers. The new trustee will also receive a pack of material from the company secretary and an introductory meeting with the chairman of the board of trustees and the chief executive officer. New trustees will also be mentored by an existing trustee and supported in order to meet their responsibilities. Thereafter, the trustees have the ability to attend appropriate training procured from an external provider. Trustees review their training needs as a part of the evaluation process and identify appropriate sources of development.

f. Organisational structure

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Board of Trustees normally meet 6 times each year. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee.

The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

The Schools within the Trust are:

Academy	Date Joined
Bishop Justus Church of England School	1 March 2011
Parish Church of England Primary School	1 August 2013
Keston Church of England Primary School	1 April 2014
St Nicholas Church of England Primary School (formerly Chislehurst Church of England Primary School)	1 November 2014
St Mark's Church of England Primary School	1 December 2014
Trinity Church of England Primary School (Formerly Princes Plain Primary School)	1 January 2015
Cudham Church of England Primary School	1 April 2015
St John's Church of England Primary School	6 April 2016
St George's Church of England Primary School	1 September 2016
Rye College	1 November 2018
Rye Community Primary School	1 November 2018

There are 2 Committees of the Board of Trustees as follows:

- Finance and Audit Committee
- Educational Scrutiny Committee

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Chief Executive Officer.

The Trustees have devolved the day-to-day management of the Academy Trust to the Senior Leadership Team ('SLT'), which is led by the Chief Executive. The SLT comprises the Chief Executive, Chief Finance Officer, HR Director, Primary and secondary Education Directors and the training and Development Director. The Chief Executive is the Academy Trust's Accounting Officer and has overall responsibility for the day-to-day financial management of the Academy Trust. The SLT implements the policies laid down by the Trustees and reports back to them on these and the Academy Trust's overall performance.

The Trust's governance structure consists of advisory bodies called Aquinas Advisory Councils (AAC) at academy level, which replaced local governing bodies from September 2016. The AACs provide advice and support to the leadership of the academy and have limited delegated responsibilities. They operate in accordance with the protocol and delegation document approved by the Trustees. Six members of the AAC are selected by the Trustees based on their skills and expertise. In addition, there is one staff and two parent elected representatives together with the Headteacher. Although predominantly advisory in remit, the members of the AAC have the ability to escalate concerns to the Chief Executive Officer and the Trustees. The AACs provide an important link with the school community and assist in ensuring that the academy retains its unique character.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day-to-day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. Details of Trustees' remuneration and expenses are disclosed in note 12 of the financial statements respectively.

The pay of the senior management team is reviewed annually by the Pay Review Committee in line with the Academy Trust's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff and by reference to available information on similar roles in other similar sized Academy Trusts.

The Trust has pay and appraisal policies for education and business staff in leadership roles. The education staff include Heads of School, Headteachers, Executive Headteachers, trust Primary Director of Education, trust Secondary Director of Education and the Chief Executive Officer. Their contracts are subject to the schoolteachers pay and conditions as they are required to be qualified teachers and as such the pay ranges are set by reference to these conditions. In addition, their remuneration will reflect their responsibilities and accountability, professional expertise and nature and challenge of the role.

The pay policy for non-educational staff reflects market benchmarking and the requirements of national pay and conditions. Once again pay ranges reflect responsibilities and accountability, professional expertise and nature and challenge of the role. The pay award for each individual is determined following a robust appraisal procedure which reflects the achievement of the previous year's objectives and the setting of new aspirational targets for the subsequent year reflective of the Trust's strategic plan for that year. Senior personnel from the Trust's business team are appraised by the Chief Executive Officer to ensure consistency.

The Chief Executive Officer is appraised within a business framework in addition to meeting the demands of teachers' pay and conditions. The appraisal is undertaken by trustees with business and educational experience who are members of the Chief Executive Officer's appraisal committee. The Chief Executive Officer is appraised against the targets for the previous year and her remuneration will be recommended by Chief Executive Officer's Appraisal Committee and approved by the Remuneration Committee which will both consider available market intelligence for similar roles and is in line with current ESFA guidelines on setting executive pay. Future targets will be set by reference to the Trust action plan and will be aspirational to meet the future strategic plans of the trustees.

A remuneration Appeals Committee consisting of trustees would consider any remuneration appeals of senior personnel.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	6
Full-time equivalent employee number	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	6
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £000

Total cost of facility time	-
Total pay bill	23,376,774
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
---	-----

i. Related parties and other connected charities and organisations

The Trust is an educational establishment currently consisting of eleven 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 education improvement, human resources, payroll, finance, internal and external audit, central policies, health and safety, estate management, company secretarial support, data protection, IT and training, which the academies use, and it also facilitates shared expertise, training and development.

The Trust is a member of the Bromley Schools Collegiate thereby ensuring access to newly qualified teachers trained to the highest standard in the ethos of the Trust.

In order to maintain links with other local schools, the Trust has an associate scheme which will foster close working relationships with schools who may be interested in joining the Trust. This will give the Trust the opportunity to assess the suitability of potential partners. The Rye academies were associates prior to joining. In furtherance of their religious objectives the academies located within the London Borough of Bromley are also involved in the Rochester Diocesan Family of Schools and the Bromley Church Schools' 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.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

j. Engagement with employees (including disabled persons)

As a Trust we put a high priority on looking after the well-being of our staff. As a Church of England Education Trust we also nurture the spiritual needs of our staff. In order to meet these two high level objectives, we undertake the following:

- to provide employees with information on matters of concern to them
- to consult employees or their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests
- to encourage the involvement of employees in their career progression by conducting effective appraisal objective setting and monitoring
- to offer all employees the opportunity to undertake further training and development
- not to discriminate in respect of applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled person we offer all employees access to confidential external counselling and support services
- we carry out regular anonymised whole staff surveys to collect the opinions and concerns both positive and negative of our staff and action the findings, reviewing annually if these actions are having the impact required

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues and that the appropriate training is arranged. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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

Trustees understand the need to build and maintain good working relationships with our suppliers, we do this by:

- treating all suppliers fairly.
- ensuring that where our policy requires tenders to be issued, suppliers have equal access to quote for these services.
- ensuring contracts are in place for the delivery of services with key business partners.
- paying all suppliers promptly within stated terms.

Objectives and activities

a. Objects and aims

The Trust's primary objective as set out in its Articles of Association is the advancement of education in the United Kingdom for the public benefit. It must establish, maintain, carry on, manage and develop academies with a designated Church of England religious character or other academies with or without a designated religious character. In the latter case, the academy's individual character, background and links to the community it serves will be recognised and supported. The Trust's primary objective has not altered despite its expansion and amendment to its articles. The Trust aims to provide high quality education for all learners regardless of their start point so that they can reach their full potential.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

b. Objectives, strategies and activities

The key priorities and activities of the Academy Trust for the year, which are contained in the Academy Trust's Development. The key aims of the Academy Trust during the year ended 31 August 2022 are summarised below:

1. Improve educational outcomes for all learners
 - Develop Quality First teaching across the Trust that leads to continual improvement for all academies.
 - Attract, recruit and retain staff of the highest standard.
 - Continue to work strategically with external organisations to secure sustainable growth and promote excellence.
2. Develop the Trust to continue to create a sustainable and effective community of well-resourced academies.
 - Maintain a sustainable central business function – ensuring they are sound, efficient and scalable.
 - Secure effective leadership capacity.

c. Public benefit

The Academy Trust aims to advance for the public benefit education in Bromley, Rye and the surrounding areas, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The details of the particular activities of the Academy Trust during the year and how these have provided public benefit are detailed in the Achievements and Performance section below.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

Strategic report

Achievements and performance

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Academy Trust is committed to continual improvement, which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning.

The particular achievements and performance of the Academy Trust during the year ended 31 August 2022 were as follows:

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Key Stage 4 Headline Measures (School Assessment)		
Measure	Bishop Justus	Rye College
Progress 8	-0.43	-0.44
Attainment 8	47.4	42.8
Percentage entering EBACC	12.5%	11.6%
Average EBACC APS score per pupil	3.88	3.52
% Achieving 4+ in English and Mathematics	75%	63%
% Achieving grade 5+ in English and Mathematics	50%	38%
% Achieving 5+ in the English Baccalaureate	7.7%	8.6%

16-18 Headline Measures

Average point score per academic entry expressed as an A level grade

C

Key performance indicators

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2022, the balance of the unrestricted and restricted income reserves was £2,523,000 (2021: £1,635,000), which is after transfers of £646,000 from the restricted fixed asset fund to fund eligible expenditure that is recorded as a revenue expense owing to the Academy Trust having a number of school sites that are occupied under Church Supplemental Agreements. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers are also a key performance indicator. The pupil numbers at the most recent census were 4,577 which is consistent with the previous year.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 84.8% (2021: 88.9%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 79.6% (2021: 79.2%).

a. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, 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 within the financial statements.

Recent unfunded salary and cost increases have put pressure on the Trust's ongoing budgets. The cost of the additional teacher and support staff salary increases, which have arisen after budgets were submitted to the ESFA, together with electricity contract increase have generated additional cost in excess of £1m in the next budget year. The Trust now expects to post a substantial deficit in the year ended 31st August 2023.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

The trust will continue to ensure that our pupils have the support they need to strive for life in all its fullness. This is only possible due to a combination of prudent management of the trust's finances over many years and immediate cost restriction measures for the next 12 months. Additional funding is promised for the 2023-24 budget year but this will not impact on the 2022-23 budget year. The effects of Covid 19 are diminishing within our schools, but is still impacting on both staff and student attendance levels and this in turn adds pressure to our catch-up programmes.

b. Promoting the success of the Academy Trust

The Trustees have acted in the way which they consider, in good faith, promotes the success of the Academy Trust for the benefit of its pupils and their parents, the Department for Education and the Education and Skills Funding Agency as principal funders and regulators, its suppliers and local wider school community as a whole, and in doing so have given regard to (amongst other matters):

Our educational business relationships and community

With a highly committed and dedicated workforce, the Academy Trust takes great pride in listening to what our pupils, parents and local community want and continues to provide the level of education outcomes and results that they have come to expect. The Academy Trust continues to evolve and to adapt to the ever-changing educational environment, leading to the continued increase in the awareness of the Academy Trust's overall activities and educational performance.

As an educational focused charitable organisation, public benefit is also at the heart of all we do. The details in the "Objectives and Activities" and "Achievements and Performance" section of the Trustees' report above provide full details of the impact of our activities and our achievements for the year.

With respect to suppliers, the Academy Trust's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal commercial practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

The Academy Trust is also committed to contributing towards combating the threat of global warming by using energy efficient measures to reduce CO2 emissions throughout its buildings, facilities and operations and has reduced CO2 emissions by 8.7% or 76 tonnes compared to the previous year.

Our stakeholders

In addition to our pupils, parents, suppliers and wider local community, the Trustees also recognise the importance of their relationship with the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA), as principal funders, regulators and stakeholders. The Trustees are committed to the effective engagement with the DfE and the ESFA (and their representatives) and recognise that its success depends on the Trustees and senior management's ability to engage with them effectively and to work with them constructively, taking into account their guidance and best practice initiatives, whilst also working in line with the specific requirements of the Academy Trust's funding agreement and the Academy Trust Handbook.

Our people

The Academy Trust's key asset is its people. It employs over 700 staff, including agency workers, and it is only through the combined effort of this workforce, together with our supporters and volunteers, that we can change the lives of the children under our care. The Academy Trust encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Trustees' report above.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Our Members

The Trustees are committed to and openly engaged with our Members through regular and effective dialogue with them, including an Annual General Meeting. The Members are actively engaged in understanding our strategy and vision for the future, our culture and ethos, our people and our educational performance and standards.

Maintaining a reputation for high standards

The Academy Trust has been in existence for 9 years, and is committed to continual improvement, which it achieves in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The Academy Trust also continually develops strategies to maintain and grow its pupil base, including looking for new schools and academies to join the Trust, and further improve relationships with our suppliers. The information in the "Achievements and Performance" section of the Trustees' report above provide full details of our achievements during the year and the standards of educational performance we have achieved for all our stakeholders.

Financial review

For the year ended 31 August 2022, the Academy Trust's total income (excluding capital grants and notional rent donation) was £30,390,000 (2021: £28,904,000) while the total expenditure (excluding depreciation, notional rent expenditure and LGPS FRS102 pension cost charges) was £30,148,000 (2021: £30,773,000), resulting in a net operating surplus (before transfers between funds are considered) for the year of £242,000 (2021: a net operating deficit of £1,869,000). This operating surplus for the year was not originally expected but has been impacted by additional self-generated income through before and after school clubs and lettings. Additional government grants that were awarded too late in the year to be effectively allocated during the year and which have therefore been held in reserves to be allocated to catch up programmes in 2022-23 or applied to help reduce the impact of cost increases. There have also been a number of cost savings through prudent financial management by school head teachers.

After transfers from reserves to fund capital expenditure in the year, the balance of reserves at 31 August 2022, excluding the restricted fixed asset funds and LGPS liability fund was £2,523,000.

The net book value of fixed assets at 31 August 2022 were £20,798,000. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £463,000 (2021: £11,637,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academies. Further details regarding the deficit in the LGPS at 31 August 2022 are set out in note 27 to the financial statements.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, Chief Executive Officer, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Value for Money, Fixed Assets, Critical Incident and It Policies.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

a. Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review. The Trustees have determined that the appropriate level of operating reserves should be approximately 6% of GAG funding for the previous year. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc.

The Academy Trust's current level of operating reserves at 31 August 2022 is £2,523,000 (2021: £1,635,000), which is made up of deficit restricted income reserves of £412,000 (2021: £718,000) and unrestricted funds of £2,935,000 (2021: £2,353,000). Although the current level of operating reserves is above the target level identified above, the Trustees expectation is that these reserves will be utilised over the next year to fund the ongoing development of the Academy Trust, including the need to fund ongoing pay increases and energy cost increases across the sector and the need to fund ongoing capital projects and developments.

The value of the restricted fixed asset fund at 31 August 2022 is £21,716,000 (2021: £22,215,000), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust, and the balance of unspent capital grants to be used on future capital expenditure. These funds can only be realised by disposing of the associated tangible fixed assets or by utilising the amounts of unspent capital grants in line with the terms and conditions of those grants.

The pension reserve fund has a deficit balance at 31 August 2022 of £463,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that the Academy Trust is required to make additional pension contributions over a number of years in order to fund the deficit. These additional pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

b. Investment policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. On a daily basis this is achieved by holding funds in an interest paying current account with the Academy Trust's principal bankers. Where cash flow allows, sums in excess of £1,000,000 may be invested on deposit for extended periods with the Academy Trust's principal bankers or other reputable financial institutions.

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategical development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

The principal risks and uncertainties facing the Academy Trust are as follows:

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Educational

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA (and Local Authority). In the year, approximately 93% of the Academy Trust's operating income was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light of continuing cost pressures facing the sector. Continuing increases in employment costs, including unfunded pay increases and pension costs associated with both the Teachers' Pension Scheme and the Local Government Pension Scheme(s), and premises costs, including the significant impact of energy cost increases, will also continue to place significant pressure on the Academy Trust's financial position and its ability to deliver balance budgets in the future.

The Trustees examine the financial health of the Academy Trust formally every [month / quarter / term], reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance and Resources Committee meetings.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Fraud and mismanagement of funds

The Academy Trust has engaged Bishop Fleming, as internal auditor, to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

The Academy Trust raises funds for specific projects that will enhance the learning experience and environment for existing and future students, where funds cannot be accessed via existing channels such as government education funding. Fundraising is primarily undertaken by staff or parents and no professional fundraisers or commercial participators work with the Trust currently. Fundraising is undertaken in line with the Fundraising Regulator's Code of Fundraising Practice and is monitored by the central finance function of the Trust. The Academy Trust is mindful of the requirement to protect the public, particularly vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. No complaints have been received in respect of fundraising activities and the general complaints policy of the Trust would be applicable if so.

Streamlined energy and carbon reporting

The Academy's greenhouse gas emissions and energy consumption are as follows:

	2022	2021
Energy consumption used to calculate emissions (kWh)	4,111,172	4,243,927
Energy consumption breakdown (kWh):		
Gas	2,759,759	-
Electricity	1,344,626	-
Transport fuel	7,357	-
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	504	581
Owned transport	2	-
Total scope 1	<u>506</u>	<u>581</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	<u>260</u>	<u>258</u>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	<u>1</u>	<u>1</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>767</u>	<u>840</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>0.16</u>	<u>0.18</u>

Quantification and reporting methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Streamlined energy and carbon reporting (continued)

Measures taken to improve energy efficiency

Following the many energy improvement measurements detailed in last year's report, we have been assessing the impact during the current year. The improvements to insulation and installation of new, more efficient, gas boilers at two sites has seen gas consumption drop by almost 13%, a saving of 75 tonnes of CO2. Electricity consumption has not dropped as we would have expected, but this is mainly due to the full return to school and the consequential increase in lighting, especially external flood lights to MUGAs, computers and technical equipment.

In the next 12 months we are planning to install solar PV at more of the trust sites, convert external flood lighting to LED and install EV charging points.

Plans for future periods

The Academy Trust's plans for future periods are:

The Trust's key objective remains the advancement of education in the United Kingdom for the public benefit. During the next 12 months there will be a focus on:

- Installing solar PV at more of the trust sites, converting external flood lighting to LED and installing EV charging points. This will improve the impact that the trust schools have on the environment and release much needed funds back into schools to support the learning and development of our students
- Continuing to deliver quality first teaching to all our students through the continual targeted training and development of our staff and the systems which support them. As a trust we will continue to develop our public benefit through delivering high quality NPQ training as a delivery partner with the Church of England and through our work with the Bromley Collegiate.
- Developing our trust-wide systems particularly our new Management Information System to improve access to key data, remove duplication of effort and to reduce the workload of our staff. This will support the work we are undertaking with staff to improve their work-life balance and mental health in very demanding times.

Funds held as custodian on behalf of others

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

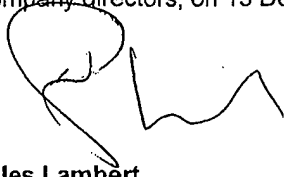
AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Auditors

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'Giles Lambert', written over a horizontal line.

Giles Lambert
Chair of Trustees

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year ended 31 August 2022.

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

Trustee	Meetings attended	Out of a possible
S Parker (Chair for 4 meetings)	6	6
S Mordecai (Vice Chair)	6	6
K Griffiths (CEO & Accounting Officer)	6	6
G Lambert (Chair for 2 meetings)	6	6
T Hyland	3	3
S Odeneye	6	6
S-T Wu	6	6
V Cliff	6	6
J Blunden	1	3
N Petrie	2	2

During the year ended 31 August 2022, the Board of Trustees reviewed the Academy Trust's governance structure with particular reference to the retirement of two key trustees, the Chair of the Trust and the Chair of Finance and Audit Committee. Two new trustees were appointed with the correct experience to be able to undertake these significant and key roles.

While the Board of Trustees review their Governance of the Trust annually, they are commissioning an external review of governance during the coming year. The review will be underpinned by the Competency Framework for Governance published by the Department for Education and specifically considered strategic governance, leadership and direction as well as the impact and effectiveness of governance. The review will aim to highlight strengths in governance at the Academy Trust and provide recommendations for areas for further development where necessary. These will then be incorporated into the Thrust action plan for implementation by the Board of Trustees.

In addition to the Board of Trustees meeting six times during the year, they also maintained effective financial oversight and governance through the formal work undertaken by the Finance Committee and Audit Committee and the Educational Scrutiny Committee. These are sub-Committees of the Board of Trustees and they met 4 times during the year.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The responsibilities of and work undertaken by these sub-Committees are detailed further below. The minutes of these sub-Committee meetings are provided to the full Board of Trustees and the Chairs of these sub-Committees report to each full Board of Trustee meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Trustees.

The Academy Trust has a Conflicts of Interest policy in place, which is regularly reviewed and updated by management and the Board of Trustees. This policy is communicated to all Members, Trustees, local Aquinas Advisory Councils (AACs) and employees of the Academy Trust and all Members, Trustees and senior leadership team employees are required to confirm they have read the Conflicts of Interest policy on annual basis. In line with the policy, all Members, Trustees, AACs and senior leadership team employees are required to complete a declaration of any business or pecuniary interests on an annual basis or, in the case of individuals taking up these roles during the year, at the point of taking up their role. A register of interests is then maintained by the Academy Trust's Governance Clerk, which is reviewed at the start of each Board of Trustee meeting and also provided to Academy Trust's finance team for monitoring in relation to any transactions with any organisations in which interests have been declared. Any transactions with organisations in which any interests have been declared are reported to the Board of Trustees. Where the transaction is considered appropriate, formal notification to the ESFA can then be made, including where relevant, seeking pre-approval.

Finance Committee and Audit Committee

The Finance Committee and Audit Committee is a sub-Committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health & Safety of the Academy Trust. This committee also acts as the Academy Trust's Audit Committee, where its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework.

Attendance at meetings of the Finance Committee during the year was as follows:

Trustee	Meetings attended	Out of a possible
S Parker (Chair for 3 meetings)	3	3
G Lambert (Chair for 1 meeting)	3	4
K Griffiths (CEO and Accounting Officer)	3	4
T Hyland	2	2
S Odeneye	3	4
S-T Wu	4	4
N Petrie	1	1

The key issues dealt with by the Finance Committee during the year were:

- The review of the Academy Trust's 3-year financial forecasts and the actions required to address the impact of increased cost pressures expected over this forecast period.
- The retendering and appointment of the Trust's internal and external auditors
- Oversight of the tendering of the trust-wide Management information System to ensure scalability in line with future trust growth plans.
- The review of the reports received from the internal auditors and external auditors in relation to the Trust's systems of internal control and the actions undertaken to address any control weaknesses identified, together with monitoring the implementation of actions identified from internal control reviews undertaken in previous years and also the recommendations included in the external auditors' management letters from the previous year.
- Review of the annual external audit of the Trust's Health and Safety systems and processes

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Educational Scrutiny Committee

The Education Scrutiny Committee is a committee of the board of trustees. It is instrumental in improving and monitoring of academy educational standards. The committee's terms of reference empower it to set Trust attainment targets, agree educational policies, monitor the Trust wide SEND provision, ensure that safeguarding is at the appropriate standard, set up learning networks and quality assure the standards at academies. It also receives regular learner data so that it can react to areas of concern. This committee meets 4 times a year. This committee scrutinises pupil data, current educational standards, gaps in learning and interventions necessary to bridge educational gaps.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ms S Mordecai (Chair)	4	4
Mrs V Cliff	4	4
Mrs K Griffiths (CEO and Accounting Officer)	4	4
J Blunden	4	4
T Hyland	1	1
G Lambert	1	1

Review of value for money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic period, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

The Accounting Officer for the Academy Trust has delivered value for money during the year by:

- Tendering the Trust Management Information System through the Crown Commercial Services Framework Agreement which produced a substantial financial saving over the existing system with further cost savings available over the next two year as other third-party products are switched to this new combined system. The system will also reduce the workload of staff through improved integration
- Tendering the external and internal audit for the trust was also tendered during the year. This process was in line with the requirements of the Academy Trust Handbook and gave Trustees and the Management Team an opportunity to re-assess the audit and accounting needs of the trust which also enabled further savings
- Ensuring that budgets continue to be linked to curriculum planning, including the sharing of resources such as staff expertise to prevent duplication across the trust of specialists at a time when they are difficult to recruit

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.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control (continued)

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Aquinas Church of England Education Trust LTD for the year 1 September 2021 to 31 August 2022 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 from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy'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; and
- identification and management of risks

The Board of Trustees has decided to buy-in an internal audit service from Bishop Fleming.

This option has been chosen as, given the current structure of the Academy Trust, the Board of Trustees believe this provides a robust and best value approach to providing assurance that the Academy Trust's financial and non-financial controls and risk management procedures are operating effectively.

The internal auditor's role includes offering advice and insight to the Board of Trustees on how to address weaknesses in financial and non-financial controls as well as evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes assessing whether procedures are effective and efficient, and checking whether agreed controls and procedures have been followed. The internal auditors have undertaken two focused reviews during the year and the scope of work included.

- The Trust's approach to and management of risk
- Human Resources systems and processes

On an annual basis, the internal auditor reports to the Board of Trustees, through the 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. The internal auditor has delivered their program of work during the year ended 31 August 2022 as planned and no significant internal control weaknesses were identified from the work completed.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the Chief Executive Office has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2022 the review has been informed by:

- the work of the internal auditor;
- the financial management and governance self-assessment process, including the School Resource Management Self-Assessment Tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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

Approved by order of the members of the Board of Trustees on 13 December 2022 and signed on their behalf by:



Giles Lambert
Chair of Trustees



Kathy Griffiths
Accounting Officer

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

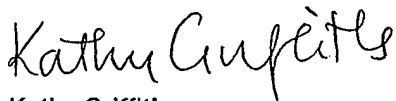
As Accounting Officer of Aquinas Church of England Education Trust LTD I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, 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 Academy Trust Handbook 2021.

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:

Matter 1:

As referenced in note 30 to the financial statements, the Academy Trust transacted with the Diocese of Rochester, a related party to the Academy Trust. The Academy Trust omitted to notify the ESFA ahead of entering into transactions with the Diocese of Rochester totalling £1,562. The Academy Trust has subsequently notified the ESFA of the transactions and arrangements with the Diocese of Rochester.



Kathy Griffiths
Accounting Officer

Date: 13 December 2022

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 13 December 2022 and signed on its behalf by:



Giles Lambert
Chair of Trustees

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD

Opinion

We have audited the financial statements of Aquinas Church of England Education Trust LTD (the 'academy') for the year ended 31 August 2022 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 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 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;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD (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 Statement of Trustees' Responsibilities, 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.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD (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:

Our assessment focused on key laws and regulations the Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academy Trust Handbook 2021, the Academies Accounts Direction 2021 to 2022, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Academy Trust and how the Academy Trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Academy Trust's control environment and how the Academy Trust has applied relevant control procedures, through discussions with Trustees and other management and by reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year and by performing walkthrough testing over key areas;
- obtaining an understanding of the Academy Trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

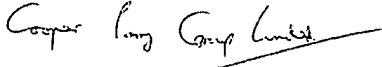
AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD (CONTINUED)**

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

Use of our report

This report is made solely to the Academy'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.



Simon Atkins FCA

Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 21 December 2022

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AQUINAS
CHURCH OF ENGLAND EDUCATION TRUST LTD AND THE EDUCATION AND SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 12 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aquinas Church of England Education Trust LTD during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Aquinas Church of England Education Trust LTD and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Aquinas Church of England Education Trust LTD 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 Aquinas Church of England Education Trust LTD and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Aquinas Church of England Education Trust LTD's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Aquinas Church of England Education Trust LTD's funding agreement with the Secretary of State for Education dated 23 August 2016 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities, including reviewing the reports on the internal scrutiny work commissioned by the Academy Trust in relation to the year.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AQUINAS
CHURCH OF ENGLAND EDUCATION TRUST LTD AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**


- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

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

Matter 1:

As referenced in note 30 to the financial statements, the Academy Trust transacted with the Diocese of Rochester, a related party to the Academy Trust. The Academy Trust omitted to notify the ESFA ahead of entering into transactions with the Diocese of Rochester totalling £1,562. The Academy Trust has subsequently notified the ESFA of the transactions and arrangements with the Diocese of Rochester.



Reporting Accountant
Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 21 December 2022

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	As restated Total funds 2021 £000
Income from:						
Donations and capital grants	3	8	130	847	985	6,874
Other trading activities	5	405	-	-	405	226
Investments	6	1	-	-	1	-
Charitable activities	4	1,559	28,287	-	29,846	28,363
Total income		1,973	28,417	847	31,237	35,463
Expenditure on:						
Raising funds	7	-	-	-	-	24
Charitable activities	7,8	834	31,023	700	32,557	37,027
Total expenditure		834	31,023	700	32,557	37,051
Net income/(expenditure)		1,139	(2,606)	147	(1,320)	(1,588)
Transfers between funds	20	(557)	1,203	(646)	-	-
Net movement in funds before other recognised gains		582	(1,403)	(499)	(1,320)	(1,588)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	27	-	12,883	-	12,883	95
Net movement in funds		582	11,480	(499)	11,563	(1,493)
Reconciliation of funds:						
Total funds brought forward	20	2,353	(12,355)	22,215	12,213	13,706
Total funds carried forward	20	2,935	(875)	21,716	23,776	12,213

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

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07525735

BALANCE SHEET
AS AT 31 AUGUST 2022

		2022	As restated
	Note	£000	2021
			£000
Fixed assets	14		
Intangible assets	14	-	-
Tangible assets	15	20,798	21,484
		<u>20,798</u>	<u>21,484</u>
Current assets			
Debtors	16	822	9,970
Cash at bank and in hand		6,526	4,388
		<u>7,348</u>	<u>14,358</u>
Creditors: amounts falling due within one year	17	(3,075)	(11,160)
Net current assets		<u>4,273</u>	<u>3,198</u>
Total assets less current liabilities		<u>25,071</u>	<u>24,682</u>
Creditors: amounts falling due after more than one year	18	(832)	(832)
Net assets excluding pension liability		<u>24,239</u>	<u>23,850</u>
Defined benefit pension scheme liability	27	(463)	(11,637)
Total net assets		<u><u>23,776</u></u>	<u><u>12,213</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	20	21,716	22,215
Restricted income funds	20	(412)	(718)
Pension reserve	20	(463)	(11,637)
Total restricted funds		<u>20,841</u>	<u>9,860</u>
Unrestricted income funds	20	2,935	2,353
Total funds		<u><u>23,776</u></u>	<u><u>12,213</u></u>

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07525735

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 31 to 65 were approved by the Trustees, and authorised for issue on 13 December 2022 and are signed on their behalf, by:



Giles Lambert
Chair of Trustees

The notes on pages 35 to 65 form part of these financial statements.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

		2022	As Restated 2021
	Note	£000	£000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	1,304	(2,329)
Cash flows from investing activities	23	834	1,949
Change in cash and cash equivalents in the year		2,138	(380)
Cash and cash equivalents at the beginning of the year		4,388	4,768
Cash and cash equivalents at the end of the year	24, 25	<u>6,526</u>	<u>4,388</u>

The notes on pages 35 to 65 form part of these financial statements

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

All incoming resources are recognised when the Academy 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.

- **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 goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

These are costs incurred on the Academy'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.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 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.

1.7 Taxation

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

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

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.8 Intangible assets

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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

The estimated useful lives are as follows:

Computer software	-	33%
-------------------	---	-----

1.9 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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.

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.

Depreciation is provided on the following basis:

Long-term leasehold land	-	0.008% being over the period of the lease
Long-term leasehold buildings (including AstroTurf foundation)	-	2%
Astro carpet and similar outdoor assets	-	10%
Furniture and equipment	-	33%
Computer equipment	-	33%
Motor vehicles	-	33%
Leasehold improvements	-	4%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

The Trust has a policy of maintenance regarding its buildings and Astro turf pitches to sustain the value of these assets such that the above depreciation rate is considered appropriate.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.9 Tangible fixed assets (continued)

The Trust's land and buildings, with the exception of Trinity Church of England Primary School, Rye College, Rye Community Primary School and the land used for playing fields at Bishop Justus Church of England School, are owned by the Rochester Diocesan Board of Education. The Trust has a license subject to two years' notice to occupy them at no cost provided the premises are used for educational purposes. These properties are not included as fixed assets in the Trust accounts in line with the requirements now set out in the Academies Accounts Direction 2021 to 2022.

The school site at Trinity Church of England Primary School and land used for the playing fields at Bishop Justus Church of England School are owned by Bromley Council and school sites at Rye College and Rye Community Primary School are owned by East Sussex County Council. These are leased to the Trust at a peppercorn ground rent. These properties are recognised in the Trust accounts at fair value, representing the 'right to use' of the properties and depreciated over their useful economic life.

Assets costing less than £2,000 are written off in the period of acquisition; all other assets are capitalised. Where the Trust has incurred the cost of additions to the school buildings on church owned sites, these costs are not treated as additions to leasehold land and buildings and are not depreciated in accordance with the stated policy.

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

1.10 Debtors

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

1.11 Cash at bank and in hand

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

1.12 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.13 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 notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 Operating leases

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

1.15 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.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.16 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.

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

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

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2022. 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 are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Critical areas of judgement:

In the previous year, the Trustees agreed a commercial basis upon which the notional rent donation of £15 per sq.ft per annum was included within the financial statements in relation to the occupation of Church owned school land and buildings. In line with the options available to the Academy under the Academy Accounts Direction, the Trustees now do not consider it practicable to include a value in respect of this notional rent donation, and no amounts are included in income, or expenditure in the current financial year.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	As restated Total funds 2021 £000
Donations	8	130	-	138	315
Capital Grants	-	-	847	847	2,111
Notional rent donation	-	-	-	-	4,448
	<u>8</u>	<u>130</u>	<u>847</u>	<u>985</u>	<u>6,874</u>
Total 2021 as restated	<u>19</u>	<u>4,744</u>	<u>2,111</u>	<u>6,874</u>	

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

4. Funding for the Academy's charitable activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Educational activities				
DfE/ESFA grants				
General Annual Grant	-	23,812	23,812	22,312
Specific DfE/ESFA grants:				
Pupil Premium	-	1,213	1,213	1,196
PE grant	-	219	219	181
UiFSM grant	-	357	357	340
Teachers' Pay grant	-	22	22	282
Teachers' Pension grant	-	63	63	821
Supplementary grant	-	290	290	-
Other DfE/ESFA grants	-	281	281	398
	-	26,257	26,257	25,530
Other Government grants				
SEN funding	-	805	805	724
Other government grants	-	895	895	822
	-	1,700	1,700	1,546
Other income from the Academy's educational activities	1,559	-	1,559	928
COVID-19 additional funding (DfE/ESFA)				
COVID-19 Recovery Premium	-	208	208	-
School Led Tutoring grant	-	122	122	-
Other COVID funding	-	-	-	312
	-	330	330	312
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	-	-	47
	-	-	-	47
	1,559	28,287	29,846	28,363
	1,559	28,287	29,846	28,363
Total 2021	928	27,435	28,363	

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

4. Funding for the Academy's charitable activities (continued)

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the Academy Trust's funding for Pupil Premium, PE grant, UiFSM, Teachers' Pay grant and Teachers' Pension grant is no longer reported under the other DfE Group grants heading, but as separate lines under the DfE/ESFA grants heading. Some amounts previously recognised as other trading activities have also been reclassified as other income from the Academy Trust's charitable activities. The prior year numbers have been reclassified.

The Academy Trust received £208,000 of COVID recovery premium funding in the year and costs incurred in respect of this funding totalled £149,000, with the remaining balance of £59,000 to be spent in the 2022/23 year.

The Academy Trust also received £150,000 of School Led Tutoring funding in the year and costs incurred in respect of this funding totalled £122,000, with the remaining balance of £28,000 included in creditors as this is subject to clawback from the ESFA.

5. Income from other trading activities

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Hire of facilities	358	358	226
Other income	47	47	-
	<u>405</u>	<u>405</u>	<u>226</u>
Total 2021	<u>226</u>	<u>226</u>	

6. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Investment income	1	1	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total 2021	<u>-</u>	<u>-</u>	

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

7. Expenditure

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Expenditure on fundraising trading activities:					
Direct costs	-	-	-	-	24
Educational activities:					
Direct costs	19,385	656	2,031	22,072	21,939
Allocated support costs	6,097	2,033	2,355	10,485	15,088
	<u>25,482</u>	<u>2,689</u>	<u>4,386</u>	<u>32,557</u>	<u>37,051</u>
Total 2021	<u>25,480</u>	<u>7,798</u>	<u>3,773</u>	<u>37,051</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Educational activities	22,072	10,485	32,557	37,027
Total 2021	<u>21,939</u>	<u>15,088</u>	<u>37,027</u>	

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Pension finance costs	225	225	211
Staff costs	6,040	6,040	5,642
Depreciation	32	32	104
Agency staff costs	57	57	32
Catering costs	943	943	732
Advertising and recruitment costs	62	62	27
Premises costs	1,071	1,071	2,169
Rates costs	186	186	136
Cleaning costs	341	341	273
Energy costs	435	435	320
Insurance costs	88	88	83
Travel and security costs	39	39	27
Technology costs	511	511	493
Notional rent	-	-	4,448
Bank charges	19	19	12
Governance costs	85	85	108
Other support costs	351	351	271
	<u>10,485</u>	<u>10,485</u>	<u>15,088</u>
Total 2021	<u>15,088</u>	<u>15,088</u>	

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	2021
	£000	£000
Operating lease rentals	37	38
Depreciation of tangible fixed assets	700	515
Amortisation of intangible assets	-	11
Fees paid to auditors for:		
- audit	25	31
- other services	10	22
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£000	£000
Wages and salaries	17,790	18,057
Social security costs	1,715	1,668
Pension costs	5,373	5,101
	<u>24,878</u>	<u>24,826</u>
Agency staff costs	574	456
Staff restructuring costs	30	198
	<u>25,482</u>	<u>25,480</u>

Staff restructuring costs comprise:

	2022	2021
	£000	£000
Redundancy payments	19	198
Severance payments	11	-
	<u>30</u>	<u>198</u>

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

10. Staff (continued)

b. Severance payments

Included in the staff restructuring costs are non-statutory / non-contractual payments totaling £11,000 (2021: £66,000). Individually, the payments were £5,455 and £6,020.

The Academy paid 2 severance payments in the year (2021 - 3), disclosed in the following bands:

	2022 No.	2021 No.
£0 - £25,000	2	1
£25,001 - £50,000	-	2
	<u>2</u>	<u>3</u>

c. Staff numbers

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

	2022 No.	2021 No.
Teachers	282	280
Administration and Support	430	405
Management	7	7
	<u>719</u>	<u>692</u>

d. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	12	11
In the band £70,001 - £80,000	9	9
In the band £80,001 - £90,000	5	5
In the band £90,001 - £100,000	2	2
In the band £100,001 - £110,000	1	2
In the band £110,001 - £120,000	1	-
In the band £170,001 - £180,000	-	1
In the band £180,001 - £190,000	1	-
	<u>21</u>	<u>20</u>

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

10. Staff (continued)

e. 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 amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £982,000 (2021 - £987,000).

11. Central services

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

- Human resources
- Payroll
- Financial services including audited financial statements, internal audits, company secretarial and actuarial valuations as required
- Education improvement and educational support services including direct teaching support and staff development and training programmes
- Health and safety
- Estate management
- IT training and development
- Procurement services
- Data protection
- Others as arising

The Academy Trust has amalgamated all central charges into one central services contribution of 8% based on each academy's GAG income. The Trust no longer charges for services separately as in previous years.

The actual amounts charged during the year were as follows:

	2022	2021
	£000	£000
Bishop Justus C of E	664	498
Parish C of E	206	219
Keston C of E	69	83
St Nicholas C of E	76	81
St Mark's C of E	134	155
Trinity C of E	159	177
Cudham	37	38
St John's C of E	78	83
St George's C of E	147	168
Rye College	272	183
Rye Community Primary School	103	96
Total	1,945	1,781

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

12. Trustees' remuneration and expenses

One Trustee has been paid remuneration and has received other benefits from an employment with the Academy. The principal only receives remuneration in respect of services they provide undertaking the roles of principal under their contract of employment. The value of Trustee remuneration and other benefits was as follows:

		2022	2021
		£000	£000
Kathy Griffiths, Chief Executive	Remuneration	175 - 180	175 - 180
	Pension contributions paid	40 - 45	40 - 45
	Other benefits	0 - 5	

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

13. Trustees' and Officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust 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.

14. Intangible assets

	Computer software £000
Cost	
At 1 September 2021	160
At 31 August 2022	160
Amortisation	
At 1 September 2021	160
At 31 August 2022	160
Net book value	
At 31 August 2022	-
At 31 August 2021	-

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

15. Tangible fixed assets

	Leasehold improvements £000	Leasehold land and buildings £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 September 2021	293	22,589	315	535	35	23,767
Additions	-	-	-	14	-	14
At 31 August 2022	293	22,589	315	549	35	23,781
Depreciation						
At 1 September 2021	12	1,423	293	520	35	2,283
Charge for the year	12	656	18	14	-	700
At 31 August 2022	24	2,079	311	534	35	2,983
Net book value						
At 31 August 2022	269	20,510	4	15	-	20,798
At 31 August 2021	281	21,166	22	15	-	21,484

The Trust's transactions relating to land and buildings included:

In accordance with the requirements set out in the Academies Accounts Direction 2021 to 2022, the land and buildings occupied by the Church academies, under License to Occupy arrangements within the Church Supplemental Agreement with the Rochester Diocesan Board of Education, should not be treated as the Trust's asset. This has been applied except where the Trust's land rights are other than merely a licence to occupy.

The amounts included above for leasehold land and buildings includes the Mouchel desktop valuation prepared on behalf of ESFA in respect of Trinity Church of England Primary School and a separate valuation carried out by Barker Associated for Rye for Rye College and Rye Community Primary School on the depreciated replacement cost basis in accordance with ESFA guidelines. The Trustees consider these valuations to be still applicable at the year-end.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

16. Debtors

	2022 £000	2021 £000
Due within one year		
Trade debtors	70	30
Other debtors	70	272
Prepayments and accrued income	391	9,298
VAT recoverable	291	370
	<u>822</u>	<u>9,970</u>

Included in prepayments and accrued income in the previous year only, is £8,896,000 in relation to notional rent for the two years under the license to occupy agreement in accordance with the Church Supplemental Agreement.

17. Creditors: Amounts falling due within one year

	2022 £000	Restated 2021 £000
Trade creditors	788	117
Other taxation and social security	407	415
Other creditors	498	616
Accruals and deferred income	1,382	10,012
	<u>3,075</u>	<u>11,160</u>

Included in accruals and deferred income in the previous year only, is £8,896,000 in relation to notional rent for the two years under the license to occupy agreement in accordance with the Church Supplemental Agreement.

Included in accruals and deferred income is deferred income of £258,000 (2021: £458,000 as restated) which relates to funding received for activities that will be undertaken during the year ending 31 August 2023.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

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

	2022	2021
	£000	£000
Other loans	832	832

The above loan relates to Rye College and Rye Community Primary School, £627,000 which was inherited as part of the transfer from The Rye Academy Trust. A further £102,000 was borrowed during the year period to 31 August 2020. The repayment of the loan funding to the ESFA is linked to the recovery plan that has been agreed with the ESFA. There is no interest payable by the Trust on the loan funding repayable to the ESFA and under the recovery plan, only 75% of the net surplus generated by Rye College and Rye Community Primary School are to be used to make repayments. As such, the Trustees consider these amounts to be non-current liability.

19. Prior Year Adjustments

The Academy Trust receives School Condition Allocation (SCA) grant funding from its principal funder, the ESFA. Historically unspent balances have been deferred, rather than being carried forward as an unspent fund balance. Under the guidance of the Charities SORP (2019) and the Academy Accounts Direction (5.8) the Academy Trust is deemed to have unconditional entitlement to the funds, in the period in which they are notified and paid.

The prior year figures have been amended to reflect each year's entitlement of SCA in the period to which it relates.

This has had the following impact:

	Income (Capital grants)	Deferred Income	Funds
	£'000	£'000	£'000
Opening position 1 September 2020	543	1,199	21,713
Prior year adjustment	866	(866)	866
	1,409	333	22,579
Restated balance at 1 September 2020			
Position at 31 August 2021	2,246	1,189	21,484
Prior year adjustment	(135)	(731)	731
	2,111	458	22,215
Restated balance at 1 August 2021			

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

20. Statement of funds

	Balance at 1 September 2021 (restated) £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
General Funds	2,353	1,973	(834)	(592)	-	2,900
Sinking Fund	-	-	-	35	-	35
	<u>2,353</u>	<u>1,973</u>	<u>(834)</u>	<u>(557)</u>	<u>-</u>	<u>2,935</u>
Restricted general funds						
General Annual Grant (GAG)	(59)	23,812	(25,064)	1,311	-	-
Pupil Premium	-	1,213	(1,213)	-	-	-
PE Grant	-	219	(219)	-	-	-
UiFSM	-	357	(357)	-	-	-
Teacher Pay grant	-	22	(22)	-	-	-
Teacher Pension grant	-	63	(63)	-	-	-
Supplementary grant	-	290	-	-	-	290
Other DfE/ESFA grants	38	281	(319)	-	-	-
Covid-19 Recovery Premium	-	208	(149)	-	-	59
School Led Tutoring grant	-	122	(122)	-	-	-
Other grants (ringfenced deficit)	(724)	-	-	(108)	-	(832)
Other Government grants	27	1,700	(1,656)	-	-	71
Other income	-	130	(130)	-	-	-
Pension reserve	(11,637)	-	(1,709)	-	12,883	(463)
	<u>(12,355)</u>	<u>28,417</u>	<u>(31,023)</u>	<u>1,203</u>	<u>12,883</u>	<u>(875)</u>

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

20. Statement of funds (continued)

	Balance at 1 September 2021 (restated) £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Restricted fixed asset funds						
General Funds	20,779	-	-	(20,779)	-	-
Academy Building Grant	370	-	-	(370)	-	-
Capital expenditure from GAG	14	-	-	(14)	-	-
DfE/ESFA Capital Grants	1,052	847	-	(981)	-	918
Fixed Assets	-	-	(700)	21,498	-	20,798
	<u>22,215</u>	<u>847</u>	<u>(700)</u>	<u>(646)</u>	<u>-</u>	<u>21,716</u>
Total Restricted funds	<u>9,860</u>	<u>29,264</u>	<u>(31,723)</u>	<u>557</u>	<u>12,883</u>	<u>20,841</u>
Total funds	<u>12,213</u>	<u>31,237</u>	<u>(32,557)</u>	<u>-</u>	<u>12,883</u>	<u>23,776</u>

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

The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with the Trust's charitable objects and the terms and conditions of the Academy Trust's funding agreement. 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 2022.

Other grants and income, which include other ESFA / DfE grants (including Pupil Premium, PE, UifSM, Teachers' Pay and Pension grants, Supplementary grants), Local Authority funding, and other restricted income, are all used in accordance with the specific restrictions of the individual grants and funding provided. The ESFA loan has been ringfenced within restricted funds.

The Pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the schools, together with any capital expenditure that is recognised on the balance sheet. As the Academy Trust has a number of Schools that occupy their land and buildings under Church supplemental agreements (where the land and buildings are therefore not recognised, and enhancement expenditure is borne by restricted income funds), a transfer will be recorded each year to fund eligible costs which are expensed as revenue in the period.

The Sinking Fund represents the Academy's future commitment to costs in relation to a shared site and have been designated as funds in the year.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

20. Statement of funds (continued)

At the year end, transfers were made to streamline the presentation of restricted fixed asset funds, to record the separately, balances attributable to the net book value of fixed assets, and of any unspent capital grants and funding at the year-end. A net amount of £646,000 was also transferred from restricted fixed asset funds to restricted income funds, to represent the value of eligible spend recorded in revenue funds.

During the year a net amount of £557,000 was transferred out of general funds to restricted income funds to support the deficit on the Academy Trusts educational activities.

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

	As Restated Balance at 1 September 2020 £000	As restated Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 August 2021 £000
Unrestricted funds					
General Funds	2,206	994	(847)	-	2,353
Restricted general funds					
General Annual Grant (GAG)	35	22,302	(24,330)	1,934	(59)
Other DfE/ESFA grants	16	3,424	(3,402)	-	38
Other grants	(776)	608	(571)	15	(724)
Other Government grants	63	1,576	(1,612)	-	27
Notional Rent	-	4,448	(4,448)	-	-
Pension reserve	(10,417)	-	(1,315)	95	(11,637)
	(11,079)	32,358	(35,678)	2,044	(12,355)
Restricted fixed asset funds					
General Funds	21,186	-	(409)	2	20,779
Academy Building Grant	432	-	(62)	-	370
Capital expenditure from GAG	18	-	(4)	-	14
Capital Mainstream Grants	13	-	(11)	(2)	-
DfE/ESFA Capital Grants	930	2,111	(40)	(1,949)	1,052
	22,579	2,111	(526)	(1,949)	22,215
Total Restricted funds	11,500	34,469	(36,204)	95	9,860
Total funds	13,706	35,463	(37,051)	95	12,213

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022	2021
	£000	£000
Bishop Justus Church of England School	362	67
Parish Church of England Primary School	109	64
Keston Church of England Primary School	132	160
St Nicholas Church of England Primary School	(142)	(111)
St Mark's Church of England Primary School	238	209
Trinity Church of England Primary School	686	544
Cudham Church of England Primary School	(52)	(16)
St John's Church of England Primary School	238	120
St George's Church of England Primary School	286	260
Rye College	(522)	(611)
Rye Community Primary School	7	39
Central Services	1,181	910
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,523	1,635
Restricted fixed asset fund	21,716	22,215
Pension reserve	(463)	(11,637)
	<hr/>	<hr/>
Total	23,776	12,213
	<hr/>	<hr/>

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit
	£000
St Nicholas Church of England Primary School	(142)
Cudham Church of England Primary School	(52)
Rye College	(522)
	<hr/>

The Academy is taking the following action to return the academies to surplus:

Individual schools with deficit fund balances are supported through the Trust's ICFP process by a combination of the Central Education Team and the CFO, who work with Headteachers to identify the correct structure for the school, additional funding opportunities and cost efficiencies by comparing budgets with similar schools through a benchmarking process. Our Rye schools joined the Trust in an already difficult financial position, and we are supporting the long-term recovery of these schools.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000	Total 2021 £000
Bishop Justus CofE School	6,178	1,177	704	1,024	9,083	10,912
Parish CofE Primary School	2,147	280	164	332	2,923	3,627
Keston CofE Primary School	679	160	71	155	1,065	1,405
St Nicholas CofE Primary School	732	122	115	180	1,149	1,240
St Mark's CofE Primary School	1,354	280	127	285	2,046	2,576
Trinity CofE Primary School	1,767	429	104	400	2,700	2,936
Cudham CofE Primary School	381	108	50	99	638	823
St John's CofE Primary School	740	147	58	146	1,091	1,414
St George's CofE Primary School	1,483	278	145	332	2,238	2,469
Rye College	2,300	431	352	394	3,477	3,945
Rye Community Primary School	1,060	287	90	167	1,604	1,740
Central Services	564	914	41	615	2,134	3,437
Academy	19,385	4,613	2,021	4,129	30,148	36,524

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	20,798	20,798
Current assets	2,935	3,495	918	7,348
Creditors due within one year	-	(3,075)	-	(3,075)
Creditors due in more than one year	-	(832)	-	(832)
Provisions for liabilities and charges	-	(463)	-	(463)
Total	2,935	(875)	21,716	23,776

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	21,484	21,484
Current assets	2,394	11,233	731	14,358
Creditors due within one year	(41)	(11,119)	-	(11,160)
Creditors due in more than one year	-	(832)	-	(832)
Provisions for liabilities and charges	-	(11,637)	-	(11,637)
Total	2,353	(12,355)	22,215	12,213

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

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

	2022 £000	2021 £000
Net expenditure for the year (as per Statement of Financial Activities)	(1,320)	(1,588)
Adjustments for:		
Amortisation	-	11
Depreciation	700	515
Capital grants from DfE and other capital income	(847)	(2,246)
Interest receivable	(1)	-
Defined benefit pension scheme cost less contributions payable	1,484	1,104
Defined benefit pension scheme finance cost	225	211
Decrease/(increase) in debtors	9,148	(367)
(Decrease)/increase in creditors	(8,085)	31
Net cash provided by/(used in) operating activities	1,304	(2,329)

23. Cash flows from investing activities

	2022 £000	2021 £000
Interest receivable	1	-
Purchase of tangible fixed assets	(14)	(297)
Capital grants from DfE Group	847	2,246
Net cash provided by investing activities	834	1,949

24. Analysis of cash and cash equivalents

	2022 £000	2021 £000
Cash in hand and at bank	6,526	4,388
Total cash and cash equivalents	6,526	4,388

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

25. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	4,388	2,138	6,526
Debt due after 1 year	(832)	-	(832)
	<u>3,556</u>	<u>2,138</u>	<u>5,694</u>

26. Capital commitments

	2022 £000	2021 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>351</u>	<u>-</u>

27. 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 the London Borough of Bromley for our Bromley based staff and East Sussex County Council for our Rye based staff. 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 £431,000 were payable to the schemes at 31 August 2022 (2021 - £304,000) and are included within creditors.

Teachers' Pension Scheme

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

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

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £2,540,000 (2021 - £2,656,000).

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

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

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 2022 was £1,734,000 (2021 - £1,689,000), of which employer's contributions totalled £1,372,000 (2021 - £1,338,000) and employees' contributions totalled £362,000 (2021 - £350,000). The agreed contribution rates for future years are 20 to 23.3 per cent for employers and 5.5 to 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

27. Pension commitments (continued)

Principal actuarial assumptions

the London Borough of Bromley Pension Scheme and East Sussex County Council Pension Scheme

	2022	2021
	%	%
Rate of increase in salaries	4.2	4.1
Rate of increase for pensions in payment/inflation	2.9	2.9
Discount rate for scheme liabilities	4.3	1.7
Inflation assumption (CPI)	2.8	2.8

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

	2022	2021
	Years	Years
Retiring today		
Males	24.3	22.7
Females	26.9	25.1
Retiring in 20 years		
Males	22.7	24.5
Females	25.3	27.1

Sensitivity analysis

Change in the reported value of defined benefit obligations:

	2022	2021
	£000	£000
Discount rate +0.1%	499	620
Mortality assumption - 1 year increase	(398)	(930)
CPI rate +0.1%	206	49
Inflation rate +0.1%	(554)	(930)

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

27. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £000	At 31 August 2021 £000
Equities	16,659	17,858
Gilts	1,280	1,521
Corporate bonds	1,463	1,635
Property	1,880	1,423
Cash and other liquid assets	422	288
Other	3,253	3,618
Total market value of assets	24,957	26,343

The actual return on scheme assets was £(2,912,000) (2021 - £3,875,000).

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

	2022 £000	2021 £000
Current service cost	(2,856)	(2,446)
Interest income	458	388
Interest cost	(643)	(562)
Administrative expenses	(40)	(37)
Total amount recognised in the Statement of Financial Activities	(3,081)	(2,657)

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

	2022 £000	2021 £000
At 1 September	37,980	31,483
Current service cost	2,856	2,446
Interest cost	643	562
Employee contributions	362	349
Actuarial (gains)/losses	(16,253)	3,391
Benefits paid	(168)	(251)
At 31 August	25,420	37,980

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

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

27. Pension commitments (continued)

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

	2022	2021
	£000	£000
At 1 September	26,343	21,066
Interest income	458	388
Actuarial (losses)/gains	(3,370)	3,486
Employer contributions	1,372	1,342
Employee contributions	362	349
Benefits paid	(168)	(251)
Admin expense	(40)	(37)
At 31 August	<u>24,957</u>	<u>26,343</u>

28. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£000	£000
Not later than 1 year	36	17
Later than 1 year and not later than 5 years	34	14
	<u>70</u>	<u>31</u>

29. 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.

AQUINAS CHURCH OF ENGLAND EDUCATION TRUST LTD
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

30. 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 Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the Academy Trust paid £1,562 to the Diocese of Rochester, an organisation which is a Member of the Academy Trust. At the year-end, the Academy Trust owed £198 to the Diocese of Rochester. The transactions with the Diocese of Rochester were undertaken on an arms length basis and in line with the requirements of the Academy Trust Handbook although the transactions were not reported to the ESFA until after the transactions had taken place. Under the conditions set out in the Academy Trust Handbook, transactions of this nature are deemed to have met the at cost requirements.

During the year the Academy Trust paid £5,197 to the Diocesan Schools' Agency Service, an organisation in which Bishop Simon Burton-Jones, a Member, is a Director of. There were no amounts outstanding at the year-end.