

Company Registration Number: 09692191 (England & Wales)

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Annual report and financial statements

For the Year Ended 31 August 2019



VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Chris Coyston Mr John Utting (resigned 13 February 2019) Mr David Lister (resigned 13 February 2019) Mrs Gillian Rowland (appointed 13 February 2019) Miss Louisa Horner (appointed 13 February 2019) Mr Cliff Collins (appointed 13 February 2019)
Trustees	Mr Chris Coyston, Chair ¹ Mr Douglas Price, Vice Chair Mr Graham Chisnell ¹ Mrs Alison Moon ¹ Dr Patricia Driscoll Mr Simon Smith ¹ Mr Louie Werth Mr Gary Bristow ¹ ¹ Finance and General Purposes committee
Company registered number	09692191
Company name	Veritas Multi Academy Trust
Principal and registered office	Warden House Primary School Birdwood Avenue Deal Kent CT14 9SF
Company secretary	Mrs Alison Moon
Chief executive officer	Mr Graham Chisnell
Senior management team	Executive Headteacher / CEO (AO), Mr Graham Chisnell Trust Business Manager (CFO), Mrs Alison Moon Headteacher, Miss Anne-Marie Middleton Headteacher, Mr Rob Hackett
Independent auditors	Williams Giles Professional Services Ltd Chartered Accountants 12 Conqueror Court Sittingbourne Kent Me10 5BH
Bankers	Lloyds Bank Plc 43 Sandgate Road Folkestone Kent CT20 1RZ

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
For the Year Ended 31 August 2019

Solicitors

Winkworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

Surveyors

Barker Associates LLP
Majesty House, Avenue West
Skyline 120
Braintree
Essex
CM77 7AA

VERITAS MULTI ACADEMY TRUST
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Trustees' report
For the Year Ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The academy trust operates an academy for pupils aged 5 to 11 serving a catchment area in Deal & Canterbury, Kent. It has a pupil capacity of 785 and had a roll of 736 in the school census on 17 May 2019.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of Veritas Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Veritas Multi Academy Trust.

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

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

Pecuniary interests of all members, trustees and governors are published on the trust website and reviewed at each meeting of governance.

d. Method of recruitment and appointment or election of Trustees

Subject to articles 48-49 and 53, the Academy Trust shall have the following Trustees:

1. Trustees appointed under Article 50;
2. the Executive Principal;
3. the Academy Trustee(s) appointed under Article 51;
4. any Executive Trustees appointed under Articles 50AA;

The Academy Trust may also have any co-opted Trustee appointed under Articles 53-56.

The Trustees may appoint by ordinary resolution such number of Trustees as they see fit.

The Trustees may appoint Executive Trustees through such process as they may determine.

The total number of Trustees including the Executive Principal who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

A formal application process takes place when recruiting new trustees and selection is based on skill set. Succession planning is at the forefront of the MAT growth development strategy.

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Trustees' report (continued)
For the Year Ended 31 August 2019

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

All new Trustees undertake a thorough induction review. Trustees are directed to policies, procedures, minutes, accounts, budgets, plans, constitutional and departmental guidance and other documents that they will need to undertake their role as trustee. Induction also includes an introduction to the policies and procedures relating to safeguarding and financial monitoring. Induction is tailored specifically to the individual based on their needs and the roles and responsibilities of their post. Where necessary induction provides training on charity and educational legal and financial matters. Formal induction ensures that all legal and strategic requirements are brought to the attention of the new trustee along with essential safeguarding roles and responsibilities.

f. Organisational structure

The Trust Board meet to quality assure the key financial and strategic procedures across the trust six times a year. In particular during the year of reporting significant attention has been paid to the strategic development of the trust during the planned period of growth. The trust has worked diligently to ensure there is clear separation between the roles of members, trustees and governors. As a result, a number of appointments have been made to ensure the governance at the school and trust level is strong and appointments have been made based on key skills required. The Regional Governing Body (RGB) focus on the strategic plan, standards and curriculum related financial responsibilities at school level. The RGB operates as a hub of up to three schools. The Trust's Scheme of Delegation outlines the responsibilities of Members, Trustees, Regional Governing Body and the members of the Executive Group. This includes setting policies, monitoring financial health and efficiency, recruitment and appointments, monitoring the quality of teaching and learning and reporting on the safeguarding and health & safety procedures in school.

At Warden House Primary School, for the year of reporting, the leadership team comprised the Executive Headteacher, Headteacher, Deputy-Headteacher, 4 x Team Leaders and the School Business Manager. At Pilgrims' Way Primary School, for the year of reporting, the leadership team comprised of the Executive Headteacher, Headteacher, Deputy Headteacher, School Business Manager and 4 x Team Leaders.

Spending controls are outlined in the Finance Policy that is monitored by the Business Group. Internal audits of finances are undertaken by the nominated Responsible Officer and fed back to the Trust Board to assure financial procedures in place are effective. The CEO/Executive Headteacher is the Accounting Officer and meets regularly with the Chief Financial Officer/TBM; producing monthly and quarterly monitoring reports rigorously discussed at Business Group Meetings and reported to the Trust Board.

g. Arrangements for setting pay and remuneration of key management personnel

Pay ranges are set for the CEO, Trust Business Manager and staff on the leadership scale by trustees and pay awards through the appraisal process. Decisions for pay awards for the CEO are commended by the CEO Pay Review Group, supported by an external consultant, and approved by the Board of Trustees annually. The CEO undertakes appraisal and pay awards for all staff on the leadership scale and the Trust Business Manager. Pay awards for staff on the leadership scale are approved by the Board of Trustees. The CEO approves the pay awards for the remaining staff and the process is scrutinised by the CEO Pay Review Group and reported to the Board of Trustees. External review of 4 staff undertaken in 2018 (incl CEO), which included benchmarking against national indicators.

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Trustees' report (continued)
For the Year Ended 31 August 2019

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£
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Total cost of facility time	-
Total pay bill	-
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	- %
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i. Related parties and other connected charities and organisations

There are no formal related parties, however, Veritas MAT is represented in the Kent MAT Alliance (KMA) a cross trust collaborative group and Warden House Primary School is part of the Deal Learning Alliance (DLA) a local collaboration of schools sharing practice. Pilgrims' Way Primary School is part of the local collaboration EduCant.

VERITAS MULTI ACADEMY TRUST
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Trustees' report (continued)
For the Year Ended 31 August 2019

Objectives and activities

a. Objects and aims

Our mission statement is "**irresistible learning for all**".

Our ethos is encapsulated in three words:

Innovative

Through strong collaboration across the Trust, our academies and staff uphold an innovative approach to staff development through a deep commitment to being research active. Through a positive and dynamic approach to research-based pedagogy, staff across the Trust continuously reflect on their practice to create an environment where innovation leads to **irresistible learning for all**.

Inclusive

With a firm belief that as a Trust we are stronger together; we create an inclusive environment across our academies where staff and pupils feel emotionally and physically safe. Our academies are outward facing and create an environment where differences in gender, culture, disability and educational needs are embraced and celebrated; leading to **irresistible learning for all**.

Inspirational

Through inspirational leadership, teaching and learning; our academies create a climate where children, staff and parents strive to achieve and aspire for greatness. With strong collaborations we share practice and challenge one another using the principles of mentor/coaching to celebrate success and support improvement. High standards across a rich and diverse curriculum delivered in each academy leads to **irresistible learning for all** that is individual to each academy but reflects the shared ethos of the Trust.

1. Strengthen academic standards within trust academies through high quality teaching, an irresistible curriculum and highly effective leadership.
2. Grow the trust to ensure it remains future proof and failsafe.
3. Embed the vision and values of the trust across the trust community.
4. Strengthen research-based practice across the trust.

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Trustees' report (continued)
For the Year Ended 31 August 2019

Objectives and activities (continued)

b. Objectives, strategies and activities

Warden House (outstanding) Key Objectives for 2019-20

1. Ensure that the high quality of teaching of reading consistently leads to strengthening outcomes for all pupils.

This will be achieved through ensuring that the teaching of reading at whole class level is of a consistently high quality so as to ensure strengthening outcomes for all pupils. Ensuring that the teaching of phonics across EYFS and Year 1 and 2 is rigorous and effective in pushing all groups to achieving the expected standard by the end of Year 1. Ensuring that reading interventions are targeted smartly and fit for purpose enabling those that fall behind to catch up as quickly as possible. Ensuring that provision for more able pupils strengthens so that 100% of high prior attainers achieve the greater depth standard by the end of KS2. Ensuring that the reading books chosen by early readers consistently match the sounds being taught in phonics. Ensuring that the monitoring of home reading is rigorous and effective with teachers fully accountable for the progress of their children with clear systems in place to address those children not meeting school expectations around home reading. Developing the leadership of phonics across the school using the English team to increase understanding and accountability of all staff.

2. Strengthen outcomes for pupils with SEND so that provision is effective in allowing for strong progress across the curriculum.

This will be achieved through the establishing of nurture provision and embedding this within the day to life of the school. Provision for pupils with SEND is effectively targeted. Ensuring monitoring shows that additional provision is appropriate, effective and supports quality-first teaching resulting in improved outcomes for pupils. So all staff demonstrate an improved understanding of SEMH needs and how this can be supported in the classroom and beyond.

3. Ensure that middle leaders develop the design and implementation of the school curriculum to allow for breadth and balance in all subjects.

This will be achieved through ensuring all subjects have a clear sequence of learning that is embedded across the school. Ensuring the school website communicates clearly the intent, implementation and impact of the new curriculum. Developing a range of strategies to ensure that learning sticks and children retain and apply learning. Fully engaging with the Artsmark accreditation process leading all classes to an increase in the quality of arts-related outcomes across the curriculum. Ensuring all subject leaders are fully accountable for standards within their subjects from Yr. R to Yr. 6 and are able to communicate clearly the strengths and weaknesses in their subjects. Reviewing the PSHEC curriculum so as to ensure the effective personal development of all pupils across the school, integrated across all subjects as necessary.

Pilgrims' Way (pending first inspection) Key Objectives for 2019-20

1. Ensure that the teaching of spelling across the school is consistent and effective in challenging all pupils to improve outcomes.

This will be achieved through ensuring a consistent and progressive approach to teaching of spelling is in place across the school. Ensuring parents and carers are well supported and guided to best support their children's learning of spelling at home. Ensuring that the profile of accurate, high quality spelling is evidenced at all times and in all lessons across the curriculum by all staff and volunteers. Also, through ensuring high quality phonics provision is accessed leading into spelling and evidenced in all writing across the curriculum.

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Trustees' report (continued)
For the Year Ended 31 August 2019

Objectives and activities (continued)

2. Strengthen the impact of middle leaders through coaching to ensure the quality of education improves.

This will be achieved through ensuring all middle leaders use coaching training to impact on the development and leadership of teams. The impact of coaching and team development ensures that high quality teaching and learning is in place for all learners to ensure best possible outcomes for all. Ensuring that all middle leaders have clarity of teaching and learning expectations to enable effective challenge of teaching, learning and assessment. Also, effective support and challenge ensures that all learners make strong progress across the curriculum.

3. Develop evidence-informed practice to overcome barriers to learning and strengthen outcomes for all pupils

This will be achieved through ensuring all staff have training on attachment theory, contextual safeguarding, inclusion and strategies to reduce barriers to learning. Boxall training for all staff and next step strategies understood and in place for all learners. Evidence-based bespoke support packages developed and in place to support mid-year transitions (new to school pupils) especially for pupils new to country. Also, robust transition plans, including links with partner agencies, identified and in place.

4. Develop our exciting Arts curriculum to promote personal aspiration and actively inspire all children to learn.

This will be achieved through the development of the arts hub to build a strong action plan to identify next steps to lead to inspirational Arts curriculum. Making links with the community to support the Arts curriculum to ensure pupils are given rich opportunities to support their Arts Curriculum. Identification of able and talented pupils to enhance strengthen their progress in the arts. Also, the development of effective assessment and reporting developed to ensure consistency throughout the pupils journey through the school.

c. Public benefit

Veritas Multi Academy Trust's trustees have complied with their duty to have due regards to the guidance on public benefit in exercising their duties. This report includes detail of the strategies and activities undertaken to achieve the purposes and objectives of the trust.

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Trustees' report (continued)
For the Year Ended 31 August 2019

Achievements and performance

a. Key performance indicators

Warden House Primary School is graded as outstanding. It has a designation as National Support School as the Executive Headteacher is a National Leader of Education.

Total on roll:	444
Eligible for free school meals:	23.6%
English as an additional language:	1%
Attendance 2018-2019:	96.3%
Persistent absence 2018-19:	9.2%

Warden House 2018-19	School	National
Early Years GLD	72%	71.8%
Exceeding or expected writing goals	72%	73.4%
Exceeding or expected number goals	81%	78.4%
Year 1 phonics	73%	82%
Key stage 1 reading expected	82%	74.9%
Key stage 1 writing expected	77%	69.2%
Key stage 1 maths expected	81%	75.6%
Key stage 2 reading, writing, maths expected	70%	78%
Key stage 2 reading expected	76%	73%
Key stage 2 writing expected	81%	78%
Key stage 2 maths expected	86%	79%

Pilgrims' Way primary School joined the trust in May 2018. The school is pending its first inspection as a new academy after the previous school was graded as inadequate. Strong systems are now in place to improve outcomes for pupils and as a result, attainment is rising in a wide range of subjects.

Total on roll:	292 (including 37 children in the nursery unit)
Eligible for free school meals:	34%
English as an additional language:	29%
Attendance 2018-2019:	94%
Persistent absence 2018-19:	19%

Pilgrims' Way 2018-19	School	National
Early Years GLD	70%	71.8%
Exceeding or expected writing goals	67%	73.4%
Exceeding or expected number goals	79%	78.4%
Year 1 phonics	69%	82%
Key stage 1 reading expected	62%	74.9%
Key stage 1 writing expected	53%	69.2%
Key stage 1 maths expected	62%	75.6%
Key stage 2 reading, writing, maths expected	49%	78%
Key stage 2 reading expected	55%	73%
Key stage 2 writing expected	59%	78%
Key stage 2 maths expected	58%	79%

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Trustees' report (continued)
For the Year Ended 31 August 2019

Strategic report (continued)

Achievements and performance (continued)

b. 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.

Financial review

a. Financial Review

Most of the Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE for the period 1st September 2018 through to 31st August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities. The Academy Trust also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy Trust's accounting policies. During the year ended 31 August 2019, total expenditure of £3,991,580 was covered by recurrent grant funding from the DfE £3,326,604, together with other incoming resources of £762,993. The excess of income over expenditure for the year (excluding restricted fixed asset and pension funds) was £154,409. At 31 August 2019 the net book value of fixed assets was £6,496,626 and movement in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

b. Reserves Policy

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should be equivalent to 4 weeks expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £462,233 (2018 - £312,809).

c. Investment Policy

The Finance Group has been delegated the responsibility of allocating reserves to a 32 day deposit account with Lloyds.

d. Principal Risks and Uncertainties

Risk profiling is undertaken by the Trust Business Group looking at compliance, financial, strategic & reputational and operational risks. Funding pressures continue to provide challenge as we plan into the future. The highest profile risks relate to the growth and development of the trust. Interestingly however, equally high profile is the risk of not growing the trust from a sustainability perspective.

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Trustees' report (continued)
For the Year Ended 31 August 2019

Fundraising

A range of small fundraising events take place at both schools during the year; however, most of the fundraising is undertaken by the schools' PTFAs under their own charitable status.

Plans for future periods

The trustees have continued to develop MAT governance, forming separation of roles and responsibilities between members, trustees and governors. Since sponsoring Pilgrims' Way, three additional governors have joined the RGB, including the headteacher of Warden House and two newly appointed governors. The MAT Strategy Group continue to work on the growth of the trust to enhance the future growth of the trust. A MDiF bid has been received to support the further growth of the trust and has been used to build capacity in the executive team; enabling the trust to support further schools joining the trust. The trust has built a semi-centralised finance and HR team, in addition we have appointed team leaders across the trust to develop the capacity for growth, led by our Trust Business Manager an ISBL Fellow. Our vision is to support academies to join the trust, enabling an infrastructure where the MAT can build a robust group of academies to support a sponsored academy. Academies will be primary phase as this reflects the skill set and expertise of existing trust staff, members and trustees. The CEO is a National Leader of Education and lead Ofsted inspector, bringing a wealth of experience in school improvement to the trust. Warden House, as a National Support School, has been commissioned to support a number of schools in our locality.

Our business plan looks to forming a hub of schools either through sponsorship or as academy converters, assisting them to convert into our MAT and growing an infrastructure linked to our role as a National Support School providing rigorous support academies to improve where required. Geographically, we will draw academies across East Kent, with the ability to maintain a geographical connection to the academies across the trust.

As part of the Kent MAT Alliance, a body of 11 Multi Academy Trusts from Kent and the surrounding counties, we continue to develop meaningful links across trusts. This network of professionals, including both the standards and business functions of our trusts, are working together to ensure there is challenge and support across trusts.

Funds held as custodian on behalf of others

Veritas Multi Academy Trust acts as fund holder for the Kent MAT Alliance, securing low level funding from the RSC and managing the income from member trusts' fees and expenditure for venues, facilitation etc.

VERITAS MULTI ACADEMY TRUST
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Trustees' report (continued)
For the Year Ended 31 August 2019

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.

Auditors

The auditors, Williams Giles Professional Services Ltd, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Finance and Premises committee.

The Trustees' report was approved by order of the board of Trustees, as the company directors, on 11 December 2019 and signed on its behalf by:



Mr Chris Coyston
Chair of Trustees

VERITAS MULTI ACADEMY TRUST
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Governance Statement

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Veritas Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

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Governance Statement (continued)

Governance

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

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

Trustee	Meetings attended	Out of a possible
Mr Chris Coyston, Chair	4	7
Mr Douglas Price, Vice Chair	4	7
Mr Graham Chisnell	7	7
Mrs Alison Moon	7	7
Dr Patricia Driscoll	4	7
Mr Simon Smith	3	7
Mr Louie Werth	2	7
Mr Gary Bristow	6	7

The Trust Board has remained static during the year with no resignations or appointments. The board meets 6 times per year and in addition a Business Group, MAT Strategy Group and Infrastructure Group meet to discuss specific items relating to their remit, feeding back recommendations/proposals for the board to discuss and challenge or ratify. The board quality assure the work of the Regional Governing Body that focusses on education standards across schools, carrying out monitoring visits and providing both support and challenge to the Headteachers and Senior Leadership Teams.

The Trust Board also provides quality assurance of the work carried out by the Executive Group, working on their behalf to deliver the vision and ethos of the trust throughout schools and ensuring that robust systems are in place to monitor financial processes, HR, Infrastructure and standards.

The Executive Group share summary data via the medium of a CEO report, drawing information from the schools' various MIS and financial systems. Financial information and monitoring is shared monthly and discussed during Business Group meetings (x6). Pupil progress and attainment data is interpreted and evaluated by the CEO/Executive Headteacher.

The Trust has undertaken a self-review in collaboration with two other trusts within the Kent MAT Alliance in the form of a peer review. This has affirmed that the trust has strong systems in place and has suggested a number of areas where improvements may be made. These have been incorporated into the objectives for the coming year for the trust and schools.

The Business Group is a sub-committee of the main board of trustees. Its purpose is to discuss financial, resourcing and staffing issues throughout the year, making recommendations/proposals to the full trust board:

Budget setting and monitoring is robustly discussed and challenged. Government and Local Authority policy and guidance is reviewed in relation to all business areas including reviewing and recommending pay policy decisions to the board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Chris Coyston	1	7
Mr Graham Chisnell	7	7
Mrs Alison Moon	7	7
Mr Gary Bristow	6	7

Responsible Officer visits took place during the year by a trustee not sitting on the Business Group.

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Governance Statement (continued)

Review of value for money

As accounting officer the CEO has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- As an academy trust we are able to share expertise and practice across our schools; peer swaps have taken place during the year, allowing staff to benefit from the support of a wider pool of colleagues. In house CPD has taken place with staff sharing evidence informed practice alongside specific and targeted external CPD
- A benefit of the academy trust model is that experts may be shared across schools ensuring a more cost-effective provision. This also offers the opportunity for staff to grow within the trust rather than seek promotion outside of trust schools which may result in the loss of significant investment in that member of staff.
- Collaborative gains from being allied to the Kent MAT Alliance has helped to secure savings across a number of procurements during the year, including CPD, MIS communication systems and curriculum resources.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Veritas Multi Academy Trust for the year 1 September 2018 to 31 August 2019 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

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Governance Statement (continued)

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

The board of Trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed Williams Giles, the external auditor, to perform additional checks. This is effective for the 2019-20 financial year.

The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations

For the 2018-19 period of reporting the internal audit process taken the format of Responsible Officer Visits reporting back to the full trust board on a sample of the above tests across both schools. No material control issues were highlighted. This function will be overseen by external auditors Williams Giles in the next financial year.

Review of effectiveness

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by those above.

Approved by order of the members of the board of Trustees on 11 December 2019 and signed on their behalf by:



Mr Chris Coyston
Chair of Trustees



Mr Graham Chisnell
Accounting Officer

VERITAS MULTI ACADEMY TRUST
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Statement on Regularity, Propriety and Compliance

As accounting officer of Veritas Multi Academy Trust I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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



Mr Graham Chisnell
Accounting Officer
Date: 11 December 2019

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2019

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 & 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 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 11 December 2019 and signed on its behalf by:



Mr Chris Coyston
Chair of Trustees

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Veritas Multi Academy Trust

Opinion

We have audited the financial statements of Veritas Multi Academy Trust (the 'academy') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Veritas Multi Academy Trust (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has 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.

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.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Veritas Multi Academy Trust (continued)

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

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.

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.



Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of

Williams Giles Professional Services Ltd

Chartered Accountants

Statutory Auditors

12 Conqueror Court

Sittingbourne

Kent

Me10 5BH

19 December 2019

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to Veritas Multi Academy Trust
and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 3 June 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Veritas Multi Academy Trust during the year 1 September 2018 to 31 August 2019 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 Veritas Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Veritas Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Veritas Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Veritas Multi Academy Trust's funding agreement with the Secretary of State for Education dated 12 August 2015 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to Veritas Multi Academy Trust
and the Education & Skills Funding Agency (continued)**

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alastair Crawford FCA

Williams Giles Professional Services Ltd

Date: 19 December 2019

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	22,056	-	268,170	290,226	3,559,198
Charitable activities		-	3,639,707	-	3,639,707	2,520,465
Other trading activities		158,892	-	-	158,892	119,201
Investments	6	772	-	-	772	533
Total income		181,720	3,639,707	268,170	4,089,597	6,199,397
Expenditure on:						
Raising funds		32,296	-	-	32,296	35,061
Charitable activities	8	-	3,868,722	90,562	3,959,284	2,965,409
Total expenditure		32,296	3,868,722	90,562	3,991,580	3,000,470
Net movement in funds before other recognised gains/(losses)		149,424	(229,015)	177,608	98,017	3,198,927
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(318,000)	-	(318,000)	333,000
Net movement in funds		149,424	(547,015)	177,608	(219,983)	3,531,927
Reconciliation of funds:						
Total funds brought forward		312,809	(1,122,304)	6,425,315	5,615,820	2,083,893
Net movement in funds		149,424	(547,015)	177,608	(219,983)	3,531,927
Total funds carried forward		462,233	(1,669,319)	6,602,923	5,395,837	5,615,820

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

The notes on pages 28 to 53 form part of these financial statements.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)
Registered number: 09692191

Balance sheet
As at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	16	6,496,626	6,202,826
		<u>6,496,626</u>	<u>6,202,826</u>
Current assets			
Debtors	17	278,260	259,242
Cash at bank and in hand		485,873	518,104
		<u>764,133</u>	<u>777,346</u>
Creditors: amounts falling due within one year	18	(181,207)	(222,515)
Net current assets		<u>582,926</u>	<u>554,831</u>
Total assets less current liabilities		<u>7,079,552</u>	<u>6,757,657</u>
Creditors: amounts falling due after more than one year	19	(17,715)	(27,837)
Net assets excluding pension liability		<u>7,061,837</u>	<u>6,729,820</u>
Defined benefit pension scheme liability	25	(1,666,000)	(1,114,000)
Total net assets		<u><u>5,395,837</u></u>	<u><u>5,615,820</u></u>

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Balance sheet (continued)
As at 31 August 2019

	Note	2019 £	2018 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	20	6,602,923	6,425,315
Restricted income funds	20	(3,319)	(8,304)
		<hr/>	<hr/>
Restricted funds excluding pension asset	20	6,599,604	6,417,011
Pension reserve	20	(1,666,000)	(1,114,000)
		<hr/>	<hr/>
Total restricted funds	20	4,933,604	5,303,011
Unrestricted income funds	20	462,233	312,809
		<hr/>	<hr/>
Total funds		<u>5,395,837</u>	<u>5,615,820</u>

The financial statements on pages 24 to 53 were approved by the Trustees, and authorised for issue on 11 December 2019 and are signed on their behalf, by:



Mr Chris Coyston
Chair of Trustees



Mr Graham Chisnell
Accounting Officer

The notes on pages 28 to 53 form part of these financial statements.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Statement of cash flows
For the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	22	83,189	110,873
Cash flows from investing activities	23	(115,420)	96,132
Change in cash and cash equivalents in the year		(32,231)	207,005
Cash and cash equivalents at the beginning of the year		518,104	311,099
Cash and cash equivalents at the end of the year	24	<u>485,873</u>	<u>518,104</u>

The notes on pages 28 to 53 form part of these financial statements

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

1. Accounting policies

Veritas Multi Academy Trust is a charitable company limited by guarantee and an exempt charity incorporated in England & Wales. The registered office is Warden House Primary School, Birdwood Avenue, Deal, Kent, CT14 9SF. The principal activity of the academy trust is to provide an education for pupils that satisfies the requirements of the Education Act 2002.

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The financial statements are prepared in sterling and rounded to the nearest pound.

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.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

1. Accounting policies (continued)

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.

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

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.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

1. Accounting policies (continued)

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Long-term leasehold property transferred to the academy trust is held at cost of the buildings, as per the ESFA valuation on the original conversion, less depreciation to date, calculated on a straight line basis over the term of the lease. No land element has been included in the financial statements.

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 4% Straight line
Leasehold property improvements	- 15 years Straight Line
Furniture and equipment	- 10% Straight line
Computer equipment	- 20% Straight line
Motor vehicles	- 10% Straight line

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.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

1. Accounting policies (continued)

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 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 17. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Operating leases

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

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

1. Accounting policies (continued)

1.13 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.

The Academy is a member of a multi-employer plan. Where it is not possible for the Academy to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

1.14 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.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Critical areas of judgment:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the property, plant and equipment, and note 1.8 for the useful economic lives for each class of assets.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Transfer of assets on conversion	-	-	-	-
Donations	22,056	-	-	22,056
Devolved formula funding	-	-	47,510	47,510
Capital grants	-	-	220,660	220,660
	<u>22,056</u>	<u>-</u>	<u>268,170</u>	<u>290,226</u>

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Transfer of assets on conversion	13,322	(477,000)	3,782,138	3,318,460
Donations	1,449	-	-	1,449
Devolved formula funding	-	-	16,800	16,800
Capital grants	-	-	222,489	222,489
	<u>14,771</u>	<u>(477,000)</u>	<u>4,021,427</u>	<u>3,559,198</u>

4. Funding for the Academy's educational operations

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
DfE/ESFA grants			
General Annual Grant	2,764,312	2,764,312	1,951,613
Pupil premium	350,880	350,880	259,606
Other DfE/ESFA grants	211,412	211,412	198,806
	<u>3,326,604</u>	<u>3,326,604</u>	<u>2,410,025</u>
Other government grants	313,103	313,103	110,440
	<u>3,639,707</u>	<u>3,639,707</u>	<u>2,520,465</u>

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Notes to the financial statements
For the Year Ended 31 August 2019

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Hire of facilities	26,430	26,430	17,869
Uniform income	3,771	3,771	883
School trip income	38,863	38,863	37,360
Departmental income	89,828	89,828	63,089
	<u>158,892</u>	<u>158,892</u>	<u>119,201</u>

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Interest received	772	772	533
	<u>772</u>	<u>772</u>	<u>533</u>

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Expenditure on raising voluntary income:				
Direct costs	-	-	32,296	32,296
Educational operations:				
Direct costs	2,475,120	-	115,087	2,590,207
Allocated support costs	726,135	284,012	358,930	1,369,077
	<u>3,201,255</u>	<u>284,012</u>	<u>506,313</u>	<u>3,991,580</u>

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For the Year Ended 31 August 2019

	<i>Staff Costs</i> 2018 £	<i>Premises</i> 2018 £	<i>Other</i> 2018 £	<i>Total</i> 2018 £
Expenditure on raising voluntary income:				
Direct costs	-	-	35,061	35,061
Educational operations:				
Direct costs	1,700,187	-	126,823	1,827,010
Allocated support costs	417,508	264,624	456,267	1,138,399
	<u>2,117,695</u>	<u>264,624</u>	<u>618,151</u>	<u>3,000,470</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2019 £	Total funds 2019 £
Educational operations	<u>3,959,284</u>	<u>3,959,284</u>

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Educational operations	<u>(25,000)</u>	<u>2,990,409</u>	<u>2,965,409</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational operations	<u>2,590,207</u>	<u>1,369,077</u>	<u>3,959,284</u>

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Notes to the financial statements
For the Year Ended 31 August 2019

9. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Educational operations	1,827,010	1,138,399	2,965,409

Analysis of direct costs

	Educational operations 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	2,464,648	2,464,648	1,676,503
Educational supplies	70,832	70,832	79,095
Staff development	19,677	19,677	25,471
Educational consultancy	27,208	27,208	20,501
Other direct costs	-	-	1,756
Agency supply	7,842	7,842	23,684
	<u>2,590,207</u>	<u>2,590,207</u>	<u>1,827,010</u>

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Notes to the financial statements
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2019 £	Total funds 2019 £	Total funds 2018 £
LGPS costs	27,000	27,000	25,000
Staff costs	728,765	728,765	417,508
Depreciation	347,610	347,610	312,022
Recruitment and support costs	3,063	3,063	2,116
Maintenance of premises and equipment	58,025	58,025	36,870
Cleaning	19,010	19,010	9,685
Rent and rates	51,455	51,455	15,970
Energy costs	45,635	45,635	31,495
Insurance	15,420	15,420	10,765
Security and transport	16,914	16,914	13,119
Catering costs	127,522	127,522	89,313
Printing, postage and stationary	21,066	21,066	27,980
Other support costs	94,220	94,220	86,359
Restatement of fixed assets	(257,048)	(257,048)	-
Governance costs	70,420	70,420	60,197
	<u>1,369,077</u>	<u>1,369,077</u>	<u>1,138,399</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	<u>347,610</u>	<u>312,022</u>

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Notes to the financial statements
For the Year Ended 31 August 2019

11. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Academy's auditor for the audit of the Academy's annual accounts	10,650	9,850
Fees payable to the Academy's auditor in respect of:		
All taxation advisory services not included above	350	600
All assurance services not included above	1,350	675
All non-audit services not included above	9,740	4,250
	<u> </u>	<u> </u>

12. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,421,039	1,607,621
Social security costs	164,722	130,176
Pension costs	607,652	356,214
	<u>3,193,413</u>	<u>2,094,011</u>
Agency staff costs	7,842	23,684
	<u>3,201,255</u>	<u>2,117,695</u>

Staff restructuring costs comprise:

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	42	23
Support	86	59
Management	4	4
	<u>132</u>	<u>86</u>

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For the Year Ended 31 August 2019

12. Staff costs (continued)

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<hr/> <hr/>	<hr/> <hr/>

d. Key management personnel

The key management personnel of the academy trust comprise of the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £323,015 (2018: £300,538).

13. Central services

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

- Human resources
- Financial services
- Legal services
- Educational support services
- IT services

The Academy charges for these services on the following basis:

Flat percentage of 5% based on ESFA GAG and KCC nursery funding.

The actual amounts charged during the year were as follows:

	2019	2018
	£	£
Warden House	78,268	-
Pilgrims Way	64,729	-
Total	<hr/> <hr/> 142,997	<hr/> <hr/> -

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Notes to the financial statements
For the Year Ended 31 August 2019

14. Trustees' remuneration and expenses

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

		2019 £	2018 £
Mr Graham Chisnell	Remuneration	90,000 - 95,000	80,000 - 85,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Mrs Alison Moon	Remuneration	50,000 - 55,000	40,000 - 45,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
Miss Anne-Marie Middleton	Remuneration		50,000 - 55,000
	Pension contributions paid		5,000 - 10,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

15. Trustees' and Officers' insurance

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

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For the Year Ended 31 August 2019

16. Tangible fixed assets

	Leasehold property £	Improvements to leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2018	6,469,770	21,673	252,844	98,137	6,842,424
Additions	29,134	339,165	2,650	13,413	384,362
Reanalysis of fixed assets	-	-	59,338	44,748	104,086
At 31 August 2019	<u>6,498,904</u>	<u>360,838</u>	<u>314,832</u>	<u>156,298</u>	<u>7,330,872</u>
Depreciation					
At 1 September 2018	486,636	-	92,064	60,898	639,598
Charge for the year	259,956	24,056	32,078	31,520	347,610
Reanalysis of fixed assets	-	-	(92,064)	(60,898)	(152,962)
At 31 August 2019	<u>746,592</u>	<u>24,056</u>	<u>32,078</u>	<u>31,520</u>	<u>834,246</u>
Net book value					
At 31 August 2019	<u>5,752,312</u>	<u>336,782</u>	<u>282,754</u>	<u>124,778</u>	<u>6,496,626</u>
At 31 August 2018	<u>5,983,134</u>	<u>21,673</u>	<u>160,780</u>	<u>37,239</u>	<u>6,202,826</u>

A review of the fixed asset register for each school has been carried out in the year. Cost has been restated to reflect the current replacement valuation of assets in existence and depreciation will be charged on this amount to write the value of this cost off over the useful economic life of the asset. The net effect is to reduce the net book value before the current year's depreciation charge by £257,048. This cost is included in support costs

17. Debtors

	2019 £	2018 £
Due within one year		
Other debtors	89,240	126,568
VAT recoverable	73,042	66,078
Prepayments and accrued income	115,978	66,596
	<u>278,260</u>	<u>259,242</u>

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Notes to the financial statements
For the Year Ended 31 August 2019

18. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	5,061	-
Trade creditors	19,078	68,608
Other taxation and social security	42,518	41,338
Other creditors	46,722	44,071
Accruals and deferred income	67,828	68,498
	<u>181,207</u>	<u>222,515</u>

	2019 £	2018 £
Deferred income at 1 September 2018	59,331	26,937
Resources deferred during the year	43,213	59,331
Amounts released from previous periods	(59,331)	(26,937)
	<u>43,213</u>	<u>59,331</u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals and trips occurring in the following financial year.

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

	2019 £	2018 £
Other loans	<u>17,715</u>	<u>27,837</u>

Included within other loans is an interest free loan of £22,776 from Salix which is to be repaid by biannual instalments ending September 2023.

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Notes to the financial statements
For the Year Ended 31 August 2019

20. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds					
Unrestricted funds	312,809	181,720	(32,296)	-	462,233
Restricted general funds					
General Annual Grant (GAG)	(8,304)	2,764,312	(2,759,327)	-	(3,319)
Pupil premium	-	350,880	(350,880)	-	-
Other DfE/ESFA grants	-	211,412	(211,412)	-	-
Other government grants	-	313,103	(313,103)	-	-
Pension reserve	(1,114,000)	-	(234,000)	(318,000)	(1,666,000)
	<u>(1,122,304)</u>	<u>3,639,707</u>	<u>(3,868,722)</u>	<u>(318,000)</u>	<u>(1,669,319)</u>
Restricted fixed asset funds					
Assets held for depreciation	6,282,095	-	(90,562)	-	6,191,533
Devolved formula funding	143,220	47,510	-	-	190,730
Capital grant income	-	220,660	-	-	220,660
	<u>6,425,315</u>	<u>268,170</u>	<u>(90,562)</u>	<u>-</u>	<u>6,602,923</u>
Total Restricted funds	<u>5,303,011</u>	<u>3,907,877</u>	<u>(3,959,284)</u>	<u>(318,000)</u>	<u>4,933,604</u>
Total funds	<u><u>5,615,820</u></u>	<u><u>4,089,597</u></u>	<u><u>(3,991,580)</u></u>	<u><u>(318,000)</u></u>	<u><u>5,395,837</u></u>

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

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 2019.

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Notes to the financial statements
For the Year Ended 31 August 2019

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Warden House Primary School	252,614	144,533
Pilgrims' Way Primary School & Nursery	145,484	90,406
Trust	60,816	69,566
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	458,914	304,505
Restricted fixed asset fund	6,602,923	6,425,315
Pension reserve	(1,666,000)	(1,114,000)
	<hr/>	<hr/>
Total	5,395,837	5,615,820
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Warden House Primary School	1,430,782	256,961	68,874	186,745	1,943,362
Pilgrims' Way Primary School & Nursery	1,033,866	264,164	1,879	163,350	1,463,259
Trust	-	207,640	79	29,630	237,349
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy	2,464,648	728,765	70,832	379,725	3,643,970
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

VERITAS MULTI ACADEMY TRUST
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Notes to the financial statements
For the Year Ended 31 August 2019

20. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	353,873	120,887	(35,061)	(126,890)	-	312,809
Restricted general funds						
General Annual Grant (GAG)	-	1,951,613	(1,959,917)	-	-	(8,304)
Pupil premium	-	259,606	(259,606)	-	-	-
Other DfE/ESFA grants	-	198,806	(198,806)	-	-	-
Other government grants	-	124,058	(124,058)	-	-	-
Pension reserve	(859,000)	(477,000)	(111,000)	-	333,000	(1,114,000)
	<u>(859,000)</u>	<u>2,057,083</u>	<u>(2,653,387)</u>	<u>-</u>	<u>333,000</u>	<u>(1,122,304)</u>
Restricted fixed asset funds						
Assets held for depreciation	2,589,020	3,782,138	(312,022)	143,690	-	6,202,826
Devolved formula funding	-	16,800	-	(16,800)	-	-
Capital grant income	-	222,489	-	-	-	222,489
	<u>2,589,020</u>	<u>4,021,427</u>	<u>(312,022)</u>	<u>126,890</u>	<u>-</u>	<u>6,425,315</u>
Total Restricted funds	<u>1,730,020</u>	<u>6,078,510</u>	<u>(2,965,409)</u>	<u>126,890</u>	<u>333,000</u>	<u>5,303,011</u>
Total funds	<u>2,083,893</u>	<u>6,199,397</u>	<u>(3,000,470)</u>	<u>-</u>	<u>333,000</u>	<u>5,615,820</u>

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Notes to the financial statements
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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	6,496,626	6,496,626
Current assets	462,233	195,603	106,297	764,133
Creditors due within one year	-	(181,207)	-	(181,207)
Creditors due in more than one year	-	(17,715)	-	(17,715)
Provisions for liabilities and charges	-	(1,666,000)	-	(1,666,000)
Total	462,233	(1,669,319)	6,602,923	5,395,837

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	6,202,826	6,202,826
Current assets	312,809	242,048	222,489	777,346
Creditors due within one year	27,837	(250,352)	-	(222,515)
Creditors due in more than one year	(27,837)	-	-	(27,837)
Provisions for liabilities and charges	-	(1,114,000)	-	(1,114,000)
Total	312,809	(1,122,304)	6,425,315	5,615,820

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Notes to the financial statements
For the Year Ended 31 August 2019

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

	2019 £	2018 £
Net income for the year (as per Statement of financial activities)	98,017	3,198,927
Adjustments for:		
Depreciation	347,610	312,022
Capital grants from DfE and other capital income	(268,170)	(239,289)
Interest receivable	(772)	(533)
Defined benefit pension scheme finance cost	234,000	588,000
Increase in debtors	(19,018)	(93,653)
(Decrease)/increase in creditors	(51,430)	140,859
Net (loss) on assets and liabilities from local authority on conversion	-	(3,795,460)
Restatement of fixed assets	(257,048)	-
Net cash provided by operating activities	83,189	110,873

23. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	772	533
Purchase of tangible fixed assets	(384,362)	(143,690)
Capital grants from DfE Group	268,170	239,289
Net cash (used in)/provided by investing activities	(115,420)	96,132

24. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	485,873	518,104
Total cash and cash equivalents	485,873	518,104

25. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council. Both are multi-employer defined benefit schemes.

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £207,352 (2018 - £144,179).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £248,000 (2018 - £151,000), of which employer's contributions totalled £193,000 (2018 - £118,000) and employees' contributions totalled £ 55,000 (2018 - £33,000). The agreed contribution rates for future years are 22.5 per cent for employers and variable per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.7	3.8
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.2	2.3

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.1	23.1
Females	24	25.2
<i>Retiring in 20 years</i>		
Males	23.7	25.3
Females	25.8	27.5

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	3,729,000	2,868,000
Discount rate -0.1%	3,891,000	2,992,000
Mortality assumption - 1 year increase	3,943,000	3,025,000
Mortality assumption - 1 year decrease	3,680,000	2,836,000
CPI rate +0.1%	3,818,000	2,985,000
CPI rate -0.1%	3,800,000	2,875,000

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25. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,462,000	1,237,000
Gilts	15,000	14,000
Other bonds	193,000	161,000
Property	250,000	224,000
Cash and other liquid assets	57,000	56,000
Absolute return fund	166,000	123,000
Total market value of assets	2,143,000	1,815,000

The actual return on scheme assets was £88,000 (2018 - £61,000).

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

	2019 £	2018 £
Current service cost	(360,000)	(203,000)
Past service cost	(39,000)	-
Interest income	51,000	36,000
Interest cost	(78,000)	(61,000)
Total amount recognised in the Statement of financial activities	(426,000)	(228,000)

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

	2019 £	2018 £
At 1 September	2,929,000	2,022,000
Transferred in on existing academies joining the trust	-	925,000
Current service cost	360,000	203,000
Interest cost	78,000	61,000
Employee contributions	55,000	33,000
Actuarial losses/(gains)	355,000	(308,000)
Benefits paid	(7,000)	(7,000)
Past service costs	39,000	-
At 31 August	3,809,000	2,929,000

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25. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	1,815,000	1,163,000
Transferred in on existing academies joining the trust	-	448,000
Interest income	51,000	36,000
Actuarial gains	37,000	25,000
Employer contributions	192,000	117,000
Employee contributions	55,000	33,000
Benefits paid	(7,000)	(7,000)
At 31 August	2,143,000	1,815,000

26. Operating lease commitments

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	8,268	2,981
Later than 1 year and not later than 5 years	20,774	6,938
	29,042	9,919

27. Members' liability

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

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28. Related party transactions

Owing to the nature of the Academy's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the year £2,200 (2018: £2,340) was paid in respect of first aid training to Price and Price Associates, whereby, Douglas Price, a trustee, is a Director. No amounts were outstanding as at 31 August 2019 (2018 - £nil).

A Robinson, sibling of C Coyston, a member and trustee is employed by the academy trust as a teaching assistant. A Robinson's appointment was made in open competition and C Coyston was not involved in the decision-making process regarding appointment. A Robinson is paid a competitive salary for her role and receives no special treatment as a result of her relationship to a member and trustee.

C Bristow, ex-spouse of G Bristow, a trustee is employed by the academy trust as a teacher. C Bristow's appointment was made in open competition and G Bristow was not involved in the decision-making process regarding appointment. C Bristow is paid a competitive salary for her role and receives no special treatment as a result of her relationship to a trustee.