



THE PATHWAY ACADEMY TRUST

Registered address: c/o Culverstone Green Primary School,
Wrotham Road, Meopham, Kent DA13 0RF

Registered Company N°9782388

Company Registration Number: 09782388 (England & Wales)

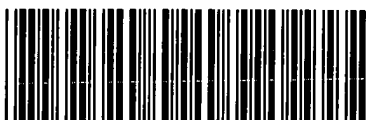
THE PATHWAY ACADEMY TRUST

(A Company Limited by Guarantee)

Annual Report and Financial Statements

for the period ended 31 August 2021

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THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Contents

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 18
Governance Statement	19 - 27
Statement on Regularity, Propriety and Compliance	28
Statement of Trustees' Responsibilities	29
Independent Auditors' Report on the Financial Statements	30 - 32
Independent Reporting Accountant's Report on Regularity	33 - 34
Statement of Financial Activities Incorporating Income and Expenditure Account	35 - 36
Balance Sheet	37 - 38
Statement of Cash Flows	39
Notes to the Financial Statements	40 - 70

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Reference and Administrative Details

Members	Mrs Elizabeth Wade (appointed 1 October 2021) Mr Philip Batson Mrs Jane Partridge-Dyer Mrs Susan Lythgoe
Trustees	Mr Alan Wallaker, Chair (resigned 24 August 2021) ^{1,3} Mrs Dawn Bramer Mrs Nicole Caulfield Mrs Ruth Doughty Mr Mark Law (resigned 28 February 2021) ^{2,3} Mrs Jennifer Margetson ³ Ms Elizabeth Wade (resigned 13 September 2021) Mrs Suzanna Mayhew ³ Mrs Sora Yago-Boli ³ Mr Jake Meekums (appointed 26 February 2021) Mr Jasdip Nijjar (appointed 26 February 2021) ³ Mrs Anne Chapman (appointed 26 February 2021, resigned 14 September 2021) ¹ Director responsible for Finance ² Director responsible for Audit ³ Member of the Finance & Audit Committee
Company registered number	09782388
Company name	The Pathway Academy Trust
Principal and registered office	Culverstone Green Primary Wrotham Road Gravesend Kent DA13 0RF
Company secretary	Mr Ron Dale
Chief executive officer	Ruth Doughty
Senior management team	Mrs Ruth Doughty, Chief Executive Officer & Accounting Officer Mrs Nicole Caulfield, Deputy CEO Mrs Andrya Norris, Chief Financial Officer & Trust Business Manager
Independent auditors	Williams Giles Professional Services Ltd Chartered Accountants and Registered Auditors 12 Conqueror Court Sittingbourne Kent Me10 5BH
Bankers	Lloyds Bank PLC 78 New Road Gravesend DA11 0AR

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Reference and Administrative Details (continued)
For the Year Ended 31 August 2021

Solicitors

Veale Wasbrough Vizards LLP
24 King William Street
London
EC4R 9AT

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2021

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

The academy trust operates five primary schools (one of which includes nursery provision) in Gravesham, South East England. Its academies have a combined pupil capacity of 1930 and had a roll of 1872 in the school census on October 2020.

Structure, Governance and Management

a. Constitution

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

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

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

The charitable company operates as The Pathway 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

The Pathway Academy Trust is a member of the Department for Education's (DfE's) Risk Protection Arrangement (RPA).

The RPA is not an insurance scheme but is a mechanism through which the cost of risks that materialise from 1 September 2015 will be covered by government funds. The Governors' Liability section of the RPA will indemnify Members, the Board of Directors and the Local Governing Bodies of the Trust.

The RPA Administrator's limit of liability in respect of each school shall be £10,000,000 each and every loss and shall be the maximum aggregate liability of the RPA Administrator from all losses from a school whose Trust is a member during any one membership year.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

Structure, Governance and Management (continued)

d. Method of Recruitment and Appointment or Election of Trustees

The Trustees, referred to as Directors, are appointed in accordance with the Trust's Articles of Association as detailed below. The number of Directors shall be not less than three but shall not be subject to a maximum.

- a) The Members may appoint by ordinary resolution up to 12 Directors (Article 50).
- b) The Members may appoint Staff Directors through such process as they may determine (Article 50AA). The total number of Directors including the CEO (if they so choose to act as a Director under Article 57) who are employees of the Academy Trust shall not exceed one third of the total number of Directors (Article 50B).
- c) Providing that the CEO agrees so to act, the Members may by ordinary resolution appoint the CEO as a Director (Article 57).
- d) The Directors may appoint Co-opted Directors. A 'Co-opted Director' means a person who is appointed to be a Director by being Co-opted by Directors who have not themselves been so appointed. The Directors may not co-opt an employee of the Academy Trust as a Co-opted Director if thereby the number of Directors who are employees of the Academy Trust would exceed one third of the total number of Directors including the Chief Executive Officer to the extent he or she is a Director (Article 58).

The term of office for Directors is four years and any Director may be re-appointed or re-elected subject to remaining eligible to be a Director.

The Trust has established Local Governing Bodies (LGB) under Article 100(a) for each of its schools with a minimum of five and maximum of 10 Local Governors. The Directors will ensure that each LGB has at least two Local Parent Governors (in accordance with Article 101A), the Head Teacher and a Local Staff Governor with the balance consisting of Local Governors appointed by the LGB. Where the school is a sponsored school LGB appointments will be made by the Trust's Directors until the school has received a 'good' or better Ofsted grading.

e. Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust has agreed an induction procedure and the training and induction provided for new Directors will depend on their existing experience and is tailored specifically to the individual. All new Directors will be given a tour of the schools and the chance to meet with staff and students.

All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

Structure, Governance and Management (continued)

f. Organisational Structure

The structure consists of four management levels: The Pathway Academy Trust Board ('the Board'), the Executive Leadership Team (ELT), the Local Governing Bodies (LGB), and the Senior Leadership Teams of the Trust schools. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The responsibilities and powers of Directors, Governors and staff employed by the Trust in respect of key aspects of the management of the Trust and its schools and to ensure compliance with legal requirements are set out in the Scheme of Delegation.

The Board is responsible for setting general policy, adopting an annual plan and budget monitoring for the academies by the use of budget reports and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Executive Leadership Team consists of the Chief Executive Officer (CEO) and the Deputy Chief Executive Officer (DCEO). The CEO and DCEO have the delegated responsibility for the operation of the trust and are accountable for the performance of all schools within the trust. The CEO and DCEO manage the Head Teachers of each school, in conjunction with the Chair of the relevant LGB.

The Senior Leadership Teams consist of the Head Teachers, Assistant Head Teachers, Heads of Year Groups, the Inclusion Manager and the Business Manager. These leaders control each academy at school level implementing the policies laid down by themselves, the LGB or the Trust Board of Directors. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of non-senior staff.

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

The Board of Directors of The Pathway Academy Trust are responsible for the performance management and pay awards of the Chief Executive Officer and Deputy CEO.

The Chief Executive Officer and Deputy CEO are responsible for the performance management and pay award of the Trust Business Manager and the Head Teachers of all schools within the Trust.

The Local Governing Body of each school will receive pay recommendations for the teaching staff from their Head Teacher.

All pay decisions for Leadership and Teaching staff are benchmarked to the DfE's School Teachers' Pay and Conditions Document. Pay decisions for key operational staff are benchmarked to Kent County Council's Kent Range Pay Scheme.

h. Trade union facility time

No employees were relevant union officials during the year.

i. Related parties and other connected charities and organisations

One Trustee is also a Trustee of Culverstone Green Nursery

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

Structure, Governance and Management (continued)

j. Engagement with employees (including disabled persons)

The Directors recognise that equal opportunities must be an integral part of good practice within the workplace. The Trust aims to create a working environment in which the contribution and needs of all people are fully valued.

Where possible, lifts, ramps and disabled toilets have been installed and door widths are sufficient to enable wheelchair access to all the main areas of the schools. The policy of the Trust is to support the employment of disabled persons both in recruitment and by retention of employees who become disabled whilst in the employment of the Trust, as well as generally through training and career development.

The Pathway Academy Trust encourages staff contributions at all levels and close collaboration between the schools (for example, the Head Teachers and SEN Coordinators meet regularly to share knowledge and best practice). The Trust intranet provides information and access to both internal and external sources of information and support. Each school also holds regular staff meetings and briefings. New members of staff are fully inducted and staff development days are used for training before and during the school year.

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

The Pathway Academy Trust operates an open and honest approach with all suppliers, customers and stakeholders. The Trust's Directors and Key Management Personnel are fully versed in The Seven Principles of Public Life (also known as the Nolan Principles) and use these as the basis for all principal decisions relating to the Trust and its constituent schools.

The Trust recognises its obligations to ensure that suppliers are paid on time, acknowledging that late payments can be a key issue for business, especially smaller businesses, as it can adversely affect their cash flow and jeopardise their ability to trade. The Board of Directors review and challenge the school's Payment Analysis Reports and the Trust Central Team monitor and encourage schools to improve the time taken to pay invoices. The current average time taken to pay suppliers is 22 days, which is within the standard payment period of 30 days and an improvement on the previous year (24 days).

Objectives and Activities

a. Objects and Aims

The principal objects of The Pathway Academy Trust are specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- to promote for the benefit of the inhabitants of the areas in which the academies are located and the surrounding areas the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

Objectives and Activities (continued)

b. Objectives, strategies and activities

The Pathway Academy Trust was founded in October 2015 with two schools which converted from maintained status to academy forming the multi-academy trust. The Trust has now grown to a family of five schools based in the Gravesham area: Culverstone Green Primary, Meopham Community Academy, Riverview Infant School, Riverview Junior School and Wrotham Road. The schools serve urban and rural areas with the Gravesham area.

Our strategic aims outline the direction of these five schools over the next three years. It is one of our intentions that each school maintains its individual identity, serving the interests of its community, but also that the Trust aligns its expectations, direction and priorities across the schools as we seek to further develop as a Trust.

The lead professionals of the Trust meet regularly to discuss strategy, share practice and promote professional relationships and further shape the identity of the Trust. The Board and the senior leaders will monitor the strategic objectives and ensure that each individual school contributes successfully to its success.

The strategic aims identified for development are:

1. Exceptional quality of education
2. Inspirational opportunities for all
3. Positive environment
4. Ambitious and innovative leadership at all levels
5. Organisational efficiency

c. Public Benefit

The Directors of The Pathway Academy Trust can confirm that they have complied with their duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission, in exercising their powers or duties. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set.

The Trust provides a fully comprehensive education to all of the pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic Report

Achievements and Performance

Ofsted outcomes for all schools, except one, are good. The Requires improvement school was last inspected in May 2016 and will secure a good judgement when its inspection does take place. One school is awaiting a full inspection for outstanding.

The schools have a new format for self-evaluation and school improvement that has led to more focused improvement shared across leadership including governors. The introduction of a Standards Committee enables the Board to fulfil its duties of holding the Local Governing Bodies and senior leaders to account for the improvement in their schools.

Due to the Coronavirus pandemic affecting the 2019-20 and 2020-21 academic years, no statutory assessments were completed therefore there are no progress or attainment results to report.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

Strategic Report (continued)

Achievements and Performance (continued)

a. Key performance indicators

Key Performance Indicators: 2020-21 Final

		CGPS	MCA	RM	RWJ	WRP	Benchmarking	
							Min	Max
Staff Income and Expenditure Metrics	Total Staff Salary Costs (£000)	£740	£1,387	£1,312	£1,748	£1,547		
	Total Staff Salary Costs as % of Total Revenue Expenditure	76.9%	73.2%	77.1%	77.9%	81.7%	75%	78%
	Total Staff Salary Costs as % of Total Revenue Income	72.3%	71.4%	77.9%	76.6%	74.2%	72%	75%
	Teaching Staff Salary Costs as % of Total Revenue Expenditure (%)	50.8%	48.2%	49.7%	48.8%	54.3%	44%	48%
	Teaching Staff Salary Costs as Proportion of Total Revenue Income (%)	47.5%	47.04%	50.2%	43.0%	49.3%	44%	47%
	Education Support Staff Salary Costs as % of Total Revenue Expenditure	15.8%	17.2%	18.0%	19.1%	18.0%	14%	17%
	Education Support Staff Salary Costs as % of Total Revenue Income	14.8%	16.8%	18.1%	13.8%	14.5%	14%	18%
	Other Support Staff Salary Costs as % of Total Revenue Expenditure	10.8%	7.8%	9.4%	10.0%	11.5%	5%	7%
	Other Support Staff Salary Costs as % of Total Revenue Income	9.9%	7.6%	9.0%	9.3%	10.4%	6%	8%
	Average Teacher Salary Cost (£000)	£51	£52	£54	£47	£52	£38	£45
Other Financial Metrics	Senior Leadership Team Salary Costs as % of Total Revenue Income	18.8%	12.4%	13.1%	18.0%	13.5%	7%	12%
	Average Additional Income per Pupil (£)	£57	£15	£43	£37	£67	£300	for MATs
	Average Non-Pay Expenditure Per Pupil (£)	£1,078	£1,188	£1,184	£1,025	£841		
	Total Revenue Expenditure as % of Total Revenue Income	93.9%	97.8%	101.01%	98.4%	97.3%	96%	101%
Additional Metrics	Current In-Year Deficit / Surplus as % of Total Revenue Income	6.1%	2.4%	-1.01%	1.6%	9.2%	-1%	4%
	Average Class Size	29.43	31.00	27.92	30.31	29.38		
	Pupil-To-Teacher Ratio: PTR	21.78	24.89	22.33	20.82	20.80	23	for primaries

Key



Within Benchmarking Thresholds
Outside Benchmarking Thresholds

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.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

Strategic Report (continued)

Achievements and Performance (continued)

c. Promoting the success of the company

All Directors and Key Management Personnel of The Pathway Academy Trust understand their duty to promote the success of the company and consider the following before making any principal decisions:

- the likely consequences of any decision in the long term
- the interests of the Trust's employees
- the need to foster the Trust's business relationships with suppliers, customers and others
- the impact of the Trust's operations on the community and the environment
- the desirability of the Trust maintaining a reputation for high standards of business conduct
- the need to act fairly between members of the Trust

The Trust operates in line with The Seven Principles of Public Life (also known as the Nolan Principles) and places the highest value on its children, staff and stakeholders in the communities it serves.

The Central Team produce a five year budget plan to ensure the long term financial viability of the Trust and the Trust's schools operate from a three year budget plan. These are monitored on a monthly basis by the Trust's experienced and competent Finance and Audit Committee who raise concerns and challenge the Chief Financial Officer if required.

The Trust's Executive Leadership Team are committed to ensuring that all staff, regardless of where in the Trust they are employed or the position they hold, are aware of the Trust's vision and values and that they feel valued members of the team. Roles have been aligned across the Trust to ensure equality of pay and template job descriptions have been produced centrally to ensure equality of responsibilities within the roles.

The Trust Central Team actively encourage its schools to consider the environment when making operational decisions.

The Trust Business Manager operates at a very high level of professionalism and is a member of the Institute of School Business Leaders (ISBL) and the National Association for Head Teachers (NAHT). These high expectations are carried forward across the Business Management of the Trust and are evident at school level in terms of relationships with suppliers, customers and stakeholders and a commitment to maintain the good reputation of the Trust.

Board meetings are organised and overseen by an experienced and competent Trust Secretary who ensures that all Directors are able to express their opinions and raise concerns if required.

The Executive Leadership Team actively promote the success and support of the Trust to colleagues in non Trust schools for the benefit of local children under a sense of moral duty to ensure that all children have an opportunity to learn and develop to reach their full potential.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

Strategic Report (continued)

Financial review

The main sources of income for the schools within The Pathway Academy Trust are obtained from the Education and Skills Funding Agency (ESFA) and the Local Authority in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The introduction of the National Funding Formula has benefited the Trust's constituent schools leading to higher reserves. The Accounting Officer and Chief Financial Officer are working with schools to align their School Improvement Plans with the school's three-year budget plans to establish how these additional reserves can be used most effectively for the benefit of the current cohort of children.

During the period ended 31 August 2021, total expenditure of £9,919,899 (2020: £9,054,940) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the period (excluding pension deficit on conversion, restricted fixed asset funds and transfers to restricted fixed asset funds) was £416,521 (2020: £313,040).

At 31 August 2021 the net book value of fixed assets was £20,980,010 (2020: £20,384,796). Movements in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The FRS102 report for the defined benefit pension scheme indicated that the Trust's liability for the Local Government Pension Scheme is £5,141,000 (2020: £3,990,000) as at 31 August 2021. This is an increase of £1,151,000 on the previous year.

One of the Trust's schools were successful in securing Conditional Improvement Funding (CIF) to address extensive fire safety works. As well as contributing a significant sum from school reserves, a CIF loan also requested to support the project, as illustrated in the table below:

MCACIF Fire safety project 2020-21	
CIF Grant awarded for Fire Safety Project	£773,820
CIF Loan	£111,316
School contribution	£50,000
Total cost of fire safety project	£935,136

There was relatively little impact to the financial performance of the Trust schools, and therefore to the Trust as a whole, from COVID-19 during the 2020-21 year.

One key impact was that the schools received reduced income from revenue streams such as premises lettings, extended services (breakfast clubs and after-school clubs) and catering provision (run in-house at one school) due to the lockdown from January to March 2021 and year group or 'bubble' closures during the year. Staff with contracts for the extended services and catering provision were furloughed as appropriate during these closures, which offset some of the fixed expenditure on these services. There were also savings in other areas, such as lower energy costs during the school closures and when use of the school buildings was limited. However, some areas of revenue expenditure did see higher spend, including continued investment in online learning platforms, additional assessment resources, and in the purchase of hygiene supplies and cleaning materials.

All schools received the extra COVID-19 catch-up funding awarded on the basis of £80 per pupil, which totalled almost £150,000 across the Trust. All schools completed assessments of how COVID-19 had impacted on pupils' attainment, including progress in maths, literacy and writing as well the impact on mental and emotional wellbeing, and developed plans for spending the catch-up funding as below.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

	Funding received	Funding expenditure included
Culverstone Green Primary School	£16,160	<ul style="list-style-type: none"> - employing a Higher Level Teaching Assistant (HLTA) to support teaching and learning - employing a part-time qualified teacher as a recovery teacher - funding additional Teaching Assistant (TA) hours in key year groups - providing additional wellbeing support through lunchtime nurture provision and staff training
Meopham Community Academy	£34,640	<ul style="list-style-type: none"> - additional Teaching Assistants to provide targeted interventions - additional pastoral support - investment in the curriculum - bespoke learning packs for specific children - training and development for school staff - providing technical support and equipment where there was not home access for remote learning
Riverview Infant School	£26,800	<ul style="list-style-type: none"> - creating a bespoke curriculum for groups and individuals - additional daily 1:1 and guided reading and phonics sessions - providing catch-up interventions - providing 1:1 support for specific children - providing access to a play therapist - providing group sessions for identified children
Riverview Junior School	£38,800	<ul style="list-style-type: none"> - purchasing a digital library for the whole school - employing one full-time booster teacher for one year group and another part-time booster teacher for another year group
Wrotham Road Primary School	£32,720	<ul style="list-style-type: none"> - employing catch-up teachers - employing catch-up HLTAs - investing in an early language intervention programme for Reception class - providing access to technology and wider support for remote learning - purchasing book bundles to support home learning - interventions focusing on learning behaviours

In 2020-21, only one Trust school (Meopham Community Academy) received additional funding for taking part in the National Tutoring Programme (NTP). This amounted to just over £2,700 spent by the school with two tutoring providers in key subject areas, with the remaining 75% of the tutoring costs covered by the NTP subsidies.

Full reports on how the COVID-19 funding was spent are available on the schools' websites.

Overall, the impact on the schools' revenue funds was minimal, with strong balances carried forward to 2021-22 and surpluses remaining at all schools after the three years of the next budget cycle. It is not felt that the pandemic has significantly influenced the level of reserves held across the Trust or changed any aspect of the reserves policy.

There were also consequences for the schools' voluntary funds as fundraising activities were limited and many school trips were postponed or cancelled for a second year due to the ongoing uncertainty created by the pandemic. However, the effect on both income and expenditure were broadly equal and therefore again the schools each carry forward healthy balances for their voluntary funds into the 2021-22 financial year.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

At budget setting for the 2021-22 financial year and beyond, the impact of COVID-19 on each budget line during the previous two years was considered before setting a realistic budget for the following three years. At the time of budget setting, it was conservatively assumed that further catch-up funding would not be available but that some areas of expenditure (such as cleaning and hygiene requirements) would continue to be above normal levels for at least another year.

a. Reserves Policy

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of free reserves should be equivalent to one month's expenditure, which is approximately £826,658 (2020: £754,578).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of free reserves is £1,776,412 (2020: £1,477,741) (total funds less the amount held in fixed assets and restricted funds).

b. Investment Policy

The Pathway Academy Trust aims to manage its cash balances to provide for the day to day working capital requirements of each of its schools and the Trust central fund, whilst protecting the real long term value of any surplus cash balances against inflation. In addition, the Trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

The Trust's aim is to spend the public monies with which we are entrusted for the direct educational benefit of pupils as soon as is prudent. The Trust does not consider the investment of surplus funds as a primary activity; rather, it is the result of good stewardship as and when circumstances allow.

c. Principal Risks and Uncertainties

The Board of Directors has assessed the major risks to which the Trust is exposed and these are summarised in the Trust's Risk Register. The Directors have implemented a number of systems to assess the risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, and safeguarding) and in relation to the control of finance. They have introduced mitigating controls, including operational procedures and internal financial controls, in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Significant consideration has been given to the risk of business continuity in light of the Coronavirus pandemic. The Trust's schools have completed extensive risk assessments and identified mitigating factors, including but not limited to operating in bubbles, complying with government advice regarding ventilation and continued use of remote learning platforms. In response to the risk of school closures and staff shortages brought on by the pandemic, the Trust has also secured the support of a managed IT provider to oversee the implementation of the Trust's ICT strategy, which will enable all employees to work remotely or move freely around the Trust whilst retaining access to their electronic workspace. This will also aid collaborative working and the sharing of best practice between the Trust's constituent schools.

Below is the Trust Business Manager's annual report to the Board of Directors, summarising the movement of risks for the period 2020-21.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

The Pathway Academy Trust				
Risk Register - Annual Report 2020-21				
Risk Number	Perceived Risks	Risk Score Total (15-25 High, 5-12 Medium, 1-4 Low)	Movement of risk (Higher / Lower / No Change)	Additional comments for annual report
1/ Organisational Capacity and Leadership				
1a	Loss or failure to recruit key staff Head Teachers, Trust Business Manager, Teachers and Key Support Staff	12	No change	
1b	Loss Of Trust Board Members.	4	No change	
1c	Insufficient challenge to ELT from Directors	4	New (Sept 20) No change (July 21)	Introduced September 2020 in response to recruitment of new Directors
2/ Governance and Finance				
2a	One or more of the Trust's schools has insufficient pupil numbers / resources to set an ongoing balanced budget.	12	Higher (March 21) Lower (July 21)	This risk was originally scored 8 at the start of the year but was increased to 15 in March when the first choice admission places were awarded. Pupil numbers have now increased, with all but one school full, therefore, the risk has now been reduced to 12.
2b	Expansion of the Trust over stretches resources and hampers operations and reputation.	4	No change	
2c	No further expansion of Trust will restrict contributions to the central fund placing the Trust and its member schools under financial pressure.	3	Lower (March 21) Lower (July 21)	This risk was originally scored 12 at the start of the year but has been reduced to 9 in March 2021 due to higher indicative funding levels for schools, which will significantly increase the contributions to the central fund. This has been further reduced in July 21 due to the confirmed National Funding levels for schools.
2d	Fraud	5	No change	
2e	Not acting on opportunities to generate income	9	Higher (July 21)	This risk was increased from 3 in July 21 in response to the affect of Covid on opportunities for fundraising events
2f	The Trust fails to comply with government, charity, financial handbook, employment and other statutory policies, etc.	5	No change	
3/ Health and Safety				
3a	Accidents, injuries and fatalities may occur.	5	Lower (March 21)	This risk has been reduced from 10 at the start of the year to 5, as a result of schools achieving the Judicium Health & Safety awards and robust systems in place for H&S management
3b	There is a safeguarding incident or occurrence in school.	4	Lower (July 21)	This risk has been reduced from 8 at the start of the year to 4 in July 21, as a result of all schools using MyConcern and robust procedures in place for monitoring and reporting safeguarding incidents
4/ Educational Standards				
4a	Pupil outcomes are too low and OFSTED inspection rating is below "Good".	10	No change	
4b	LGBs have insufficient knowledge to perform their role	4	Lower (March 21)	This risk was new from September 2020 and reduced from a score of 5 in March 21 as a result of the training and development of LGBs from ELT and the Trust's External Improvement Advisor
5/ Business Continuity				
5a	Loss of one or more buildings.	4	No change	
5b	IT failure	10	Higher (July 21)	This risk was increased in July 21 from 4 at the start of the year. This is in response to recent service failure at EIS, affecting CGPS and the Trust central team, which demonstrated that reliance on this provider to maintain essential services was overstated.
5c	GDPR breaches and Subject Access Requests	9	No change	
5d	Incidents detrimental to the continuation of the business.	10	No change	
5e	The impact of Brexit including disruption to services, staff availability, increased risk of racist incidents and environmental factors resulting from increased traffic	N/A	Lower (Feb 21) Removed (March 21)	This risk has been reduced throughout the year as the impact of Brexit has stabilised, and finally removed in March 21 as it is no longer considered a threat to the Trust's operations.
5f	The impact of Coronavirus and other diseases on the provision of education, staff and pupil wellbeing and future funding	16	No change	
5e	Threat of cyber attack	15	New (July 21)	This risk has been introduced in July 21 in response to the increased threat of cyber attacks, particularly aimed at the education sector.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

Fundraising

The Pathway Academy Trust's constituent schools each have a Parents Teachers Association (PTA) or equivalent organisation, which are separate charities that fundraise to support the schools' voluntary (unrestricted) funds. The PTAs are each responsible for ensuring that their fundraising conforms to recognised standards and that no one is put under undue pressure to donate. In addition, the Trust has published guidelines outlining the minimum expectations for the operation of the PTA in order to mitigate against potential reputational risk from the associations bearing the school's name. Fundraising activities are primarily targeted at families, carers and friends of the schools.

Due to the ongoing effects of the Coronavirus pandemic, there were limited opportunities to organise fundraising events again this year, significantly impact the levels of donations to the Trust. School trips were resumed towards the end of the year, with deposits and contributions for postponed trips transferred over to the new year. No profit is made from requests for contributions to school trips.

Donations from the PTAs and individuals into the schools' voluntary funds are accounted for, monitored and audited in line with the Trust's Finance Policy and Procedures Manual and Fundraising Policy.

No fundraising complaints have been received.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

Streamlined Energy and Carbon Reporting

The Trust has calculated the energy consumption of all of its constituent schools for the period 1 September 2020 to 31 August 2021. The results are recorded in the table below:

	2021	2020
Energy consumption used to calculate emissions (kWh)	989,891	781,227
Energy consumption breakdown (kWh):		
Gas	529,359	377,171
Electricity	453,683	399,479
Transport fuel	7,556	4,577
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	96.33	69.35
Owned transport	1.72	0.38
Total scope 1	98.05	69.73
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	96.33	93.14
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	0.17	0.74
Total gross emissions (in tonnes of CO2 equivalent):	194.55	163.61
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.10	0.09

The Academy has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2021 UK Government's Conversion Factors for Company Reporting.

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

Schools actively review energy conservation and have taken positive steps to lower emissions, including replacing inefficient heating and boiler systems and replacing lighting with low emission LED bulbs.

As a result of the Covid pandemic, we have also increased the use technology to hold virtual meetings, reducing the need for travel between sites.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

Plans for Future Periods

The Board and Executive Leadership Team have re-visited the values and beliefs of the organisation to enable all stakeholders to be able to define and articulate these. These were then shared with all schools on an Inset day in September 2021 and form part of the renewed branding of the Trust.

The Trust is now looking to grow further and is in an excellent position to do so. The Central Team has been extended and developed and the Trust has capacity to support more schools. The CEO is no longer in headship and the existing Head Teachers within the Trust are supporting new Head Teacher colleagues well. Currently the Trust is looking at ways of marketing to attract further schools and the ways in which it communicates with all stakeholders to ensure we build the sense of the Trust as a single organisation.

School improvement plans meet the needs of each school and reflect their trajectory of improvement. These plans are used to link needs across schools and make decisions regarding the allocation of resources.

The Trust's strategic plan incorporates a growth plan:

Our Vision for Growth

TPAT maintains that highly accountable and locally-led trusts provide the strongest outcomes for learners. As the Trust looks to grow over the next five years, we wish to commit to that ethos by continuously strengthening our excellent management and operational systems. Ultimately, our aim is to become one of the most respected and successful Multi-Academy Trusts (MATs) in the area.

The next phase of our growth will be driven by our vision to provide, support and champion the highest-quality provision at the heart of the communities we serve. We seek to create a partnership of local schools that is committed to collaboration, equality and diversity whilst the schools retain their individual ethos to secure the best outcomes for every child thereby enabling ambitious and aspirational young people to achieve excellent outcomes.

We will not limit ourselves to incorporating only good or outstanding rated schools but will also strive to support schools in challenging circumstances if they will benefit from our vision and school improvement services. At the same time, we strongly encourage each school to retain its own unique identity in order to serve and support its pupils and local community to the highest possible standard. The success of our five schools demonstrates that our mission has the ability to impact the quality of education and aspirations for pupils in all communities.

Six years on from our inception as a Trust, TPAT is highly confident in the quality of our provision and the strength of our model of support. We are looking to grow when it is right for our Trust, our schools and our pupils and when it is a good fit with a potential school. We are currently also engaging with other small MATs in the area and would consider merging with Single Academy Trusts (SATs) or small MATs, provided their ethos and values are a match to ours.

Capacity to Grow

TPAT has built internal capacity and expertise to support schools joining the Trust. Our senior leaders and academic staff are imminently able to work with colleagues and pupils from other provisions to improve teaching and learning in all subject areas. We strive to be innovative educators by employing evidence-based improvement strategies and by offering the best support to teachers and leaders.

Our approach is also determined by our Local Governing Bodies (LGBs) and Board of Directors, which are richly comprised of experienced professionals with expertise from the worlds of school improvement, legal, Human Resources (HR), financial, accounting and governance, as well as industry and business. As we continue to grow, we seek to offer high quality central services, such as finance, IT, HR and estate management, which will improve efficiency and achieve cost-savings across all of our schools.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

Plans for Future Periods (continued)

Our Vision for Growth

As the Trust seeks to take on more schools across all Ofsted categories, continued leadership development and succession will underpin the development of the Trust's schools during the growth period. Strong and effective continuing professional development, as well as opportunities for staff to work creatively and collaboratively across the Trust's schools, will continue to be of the utmost importance as we remain steadfast in our commitment to growing the leaders of tomorrow. We have been able to offer NPQML and NPQSL qualifications to support highly effective leaders. This will be complemented by our excellent recruitment and retention practices which will not only enable us to continue bringing in brilliant teaching and leadership staff, but also extend to continuously recruiting high-quality members of the Trust Board as well as in our Local Governing Bodies.

Finally, TPAT seeks to find the appropriate economy of scale that allows for high standards of delivery alongside administrative efficiencies and local management. By further expanding the Trust's central services, we will be able to provide joining schools with excellent services in HR and finance that enable them to focus on improving their teaching and learning. Our central offer will benefit all joining schools, whether they are outstanding or in difficulty, by directly targeting the gaps in capacity at each school.

Considerations for Growth

TPAT has carefully considered the provision, key stages and school designations it would like to encompass over the next five years. We have also considered our existing partnerships we hold with other local trusts. At the current time, we seek to incorporate schools through the following routes:

1. Mergers and partnerships: we seek opportunities with small Trusts whose ethos and vision are a close match to ours.
2. Conversions: we continue to seek opportunities to bring in maintained schools on the path to academisation to support the strong performance and standards at schools local to us, to the benefit of pupils and staff.
3. Sponsorship: we intend to work with sponsored schools by offering support and leadership to individual institutions within an underperforming trust.

Our sound model for school improvement and expertise will help to support the strong performance and standards at schools local to us, to the benefit of pupils and staff. Where appropriate, we will then incorporate them into the Trust itself.

We consistently monitor and engage with schools who have indicated interest in joining the Trust in the future. Where expansion is through merger or conversion, it is vital that the joining school or trust culturally fits with TPAT. All schools that join must be dedicated to working in enthusiastic partnership to provide each pupil with an environment for achievement; getting the very best out of their lives; find enjoyment through learning and doing; engender community spirit; and ensure that each individual is valued. However, where a trust or school merges with or converts into the Trust, it is important also that their leaders retain their own vision for their school in the context of their community.

Coaching, mentoring, and supporting developing schools will contribute to the growth and reach of the Trust. We have excellent capacity to support and improve Ofsted-rated Good and Requires Improvement schools and will welcome Outstanding schools where they add capacity to the Trust. We will evaluate schools in Special Measures on a case by case basis, with the aim of ensuring that they will not jeopardise the daily operations of the Trust and our existing schools. Our moral imperative drives us to prioritise schools that can further benefit from the value that we can add.

Financial performance is also an essential factor for TPAT to consider when bringing in a joining school or merging with a trust. To ensure the financial viability of our growth plan, we will prioritise schools and trusts with a minimum viable surplus but will also consider those with a projected deficit, as well as those currently in small deficit. The schools and trusts with large deficits or whose financial standing is unclear will have to be further evaluated with a detailed due diligence programme and then assessed by the Board of Directors.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2021

Funds Held as Custodian Trustee on Behalf of Others

No funds are held by The Pathway Academy Trust or its trustees on behalf of others.

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 Audit Committee.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2021 and signed on its behalf by:



Mr Jake Meekums
Chair of the Board of Directors

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Pathway 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.

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer (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 The Pathway 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.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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 Directors has formally met seven times during the year. In addition to the seven business meetings there were two additional subject-specific meetings.

In accordance with the guidance issued by the Department for Education in response to the Covid-19 outbreak the board met virtually from March 2020 until 1st April 2021.

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

Trustee	Meetings attended	Out of a possible
Mr Alan Wallaker, Chair	8	9
Mrs Ruth Doughty	9	9
Mrs Nicole Caulified	9	9
Mrs Dawn Bramer	8	9
Mr Mark Law	3	4
Mrs Jennifer Margetson	9	9
Ms Elizabeth Wade	6	9
Mrs Suzanna Mayhew	8	9
Mrs Sora Yago-Boli	6	9
Mrs Anne Chapman	4	5
Mr Jake Meekums	4	5
Mr Jasdip Nijjar	4	5

There were several changes to the membership of the Trust Board during the year. Mr Law resigned as a Director due to changes in his work commitments which meant he was unable to dedicate sufficient time to the role of Director. The Board successfully recruited three Directors:

- Anne Chapman - a qualified solicitor with wide experience as a non-executive Director and in school governance.
- Jake Meekums - expertise in employment law and HR.
- Jasdip Nijjar - a chartered accountant with over 10 years' experience of financial management at Board level.

Unfortunately, prior to the start of the 2021/22 academic year Mr Wallaker tendered his resignation as a Director due to personal reasons. Ms Wade and Mrs Chapman tendered their resignations in September 2021 as a result of changes in their personal and/or work commitments which meant they were unable to commit sufficient time to the role of Director.

In response to these resignations the Trust is actively seeking to recruit additional Directors. Following her resignation, Ms Wade accepted an invitation from the Directors to join the Trust as a Member subject to the agreement of the current Members (this was confirmed in October 2021).

The Trust Board has responsibility for the vision, ethos and strategic direction of the Trust as a whole; for holding the CEO and wider executive team to account for the Trust's performance and for overseeing the financial performance and probity of the Trust. In addition, a number of Directors take on a 'link' responsibility for liaising with the LGB of each schools as 'Trust Liaison Officers' and in specific areas such as safeguarding.

A Finance & Audit Committee (FAC) and a Standards Committee support the Board in its work:

- The FAC provides assurance over the suitability of, and compliance with, the Trust's financial systems and operational controls. The FAC also ensures that financial management and controls, particularly the procurement of goods and services, are properly carried out in accordance with the Trust's Finance Policy and Scheme of Financial Delegation.
- The Standards Committee works with the Head Teachers and LGB Chairs of each school to provide Directors with an update on the school's performance on a regular basis.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

Governance reviews

Based on the results of a recent skills audit review, the Board believed that the skills and experience available through the current Directors plus the support provided by the TBM would enable it to fulfil its responsibilities. The appointment of any additional Directors will enable the workload and responsibilities of the Board to be shared. A skills audit will be carried out once the latest recruitment round is finished as part of a review of the Board's effectiveness.

Following the appointment of Ms Wade, the Trust is currently actively seeking additional Members to increase the number of Members to five as recommended. The Directors continue to work with the Members to identify the most effective ways in which they can be kept informed of the Trust's performance and the Board's activities.

The **Finance and Audit purposes committee** is a sub-committee of the main board of trustees. Its purpose is to provide assurance over the suitability of, and compliance with, the Trust's financial systems and operational controls.

The FAC provides assurances to the Board that all risks are being adequately identified and managed with particular regard to reviewing the risks to internal financial control across the Trust and agreeing a programme of work to address, and provide assurance on, those risks.

The FAC will also ensure that financial management and controls, particularly the procurement of goods and services, are properly carried out in accordance with the Trust's Finance Policy and Scheme of Financial Delegation. As a multi-academy trust, this oversight extends to the financial controls at constituent schools.

In accordance with the guidance issued by the Department for Education in response to the Covid-19 outbreak the board met virtually from March 2020 until 1st April 2021.

Trustee	Meetings attended	Out of a possible
Mark Law (Chair) (resigned 1 March 2021)	2	2
Jenny Margetson	4	4
Alan Wallaker (resigned 24 August 2021)	3	4
Suzanne Mayhew	4	4
Sora Yago-Boli	3	4
Jasdip Nijjar (appointed 30 March 2021, appointed as chair 6 July 2021)	1	1

Mrs Doughty (CEO), Mrs Norris (Trust Business Manager) and Mrs Windus (Deputy Trust Business Manager) attended the meetings at the request of the FAC.

Standards Committee

The role of the Standards Committee is to enable the HTs and LGB Chairs of each school to provide Directors with an update on the school's performance on an annual basis. Chairs of the LGBs and HTs for each of the Trust schools will be invited to attend the Committee meetings.

Due to the impact of Covid-19 the Standards Committee did not meet during the 2020/21 academic year.

Constituent schools

Each school has a Local Governing Body (LGB) that monitors the standards of teaching and learning and other local issues and reports to the Trust Board on a regular basis.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

Culverstone Green Primary School LGB

In accordance with the guidance issued by the Department for Education in response to the Covid-19 outbreak the LGB has met virtually since March 2020. The LGB has formally met five times during the year. Attendance during the year at meetings was as follows:

	Meetings Attended	Out of a possible
Gail Cox (Chair)	4	4
Helena Gula (Vice Chair)	4	4
Adrian Watson (Head Teacher) (appointed 1 st September 2020)	4	4
Tricia Warner	3	4
Aimee Plourde Stabler	4	4
Fiona Ashford	4	4
Steve Hayden	3	4

Riverview Infant School LGB

In accordance with the guidance issued by the Department for Education in response to the Covid-19 outbreak the LGB met virtually from March 2020 until 30th June 2021; the LGB meeting in Term 5 was held in person. The LGB has met formally four times during the year. Attendance during the year at meetings was as follows:

	Meetings Attended	Out of a poss
Robin Friday (Chairman)	4	4
Hits Patel (Vice Chair)	4	4
Nicole Caulfield (Head Teacher)	4	4
Sue Garrard	4	4
Jacqui Hutchison	3	4
Peter Harris	2	4
Hayley Chisholm	3	4
Rifet Parveen-Karim	2	4
Paul Devenney (resigned 8 th May 2021)	0	3
Lisa Dobson (appointed 28 th January 2021)	3	3

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

Riverview Junior School LGB

In accordance with the guidance issued by the Department for Education in response to the Covid-19 outbreak the LGB has met virtually since March 2020. The LGB has met formally four times during the year. Attendance during the year at meetings was as follows:

	Meetings Attended	Out of a possible
Richard Epps (Chair, resigned 26 th May 2021)	1	3
Roy Carlo (Chair)	4	4
James Kendall (Head Teacher)	4	4
Kerrie Ward	3	4
Mick Butteriss	2	4
Martin Hill	4	4
Wes Heerlall (resigned 12 th May 2021)	0	2
Caroline Chisholm (Vice Chair)	4	4
Gary Hagon (resigned 28 th January 2021)	0	2
Craig Fenton (appointed 18 th June 2021)	1	1
Poorvi Heerlall (appointed 28 th June 2021)	1	1

Wrotham Road Primary School LGB

In accordance with the guidance issued by the Department for Education in response to the Covid-19 outbreak the LGB has met virtually since March 2020 until 30th June 2021; the LGB meeting in Term 5 was held in person. The LGB has met formally four times during the year. Attendance during the year at meetings was as follows:

	Meetings Attended	Out of a possible
Lucy Hornby (Chair)	4	4
Mark Whitehouse (Vice Chair)	4	4
Sarah Jack (Head Teacher)	4	4
Jeremy Bownas	4	4
John Death	3	4
Gurpreet Saib	2	4
Margaret Tillet	4	4
John Webster	3	4

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

Meopham Community Academy LGB

In accordance with the guidance issued by the Department for Education in response to the Covid-19 outbreak the LGB has met virtually since March 2020 until 30th June 2021; the LGB meeting in Term 5 was held in person. The LGB has met formally five times during the year. Attendance during the year at meetings was as follows:

	Meetings Attended	Out of a possible
Helena Gula (Interim Chair) (appointed 22 July 2020)	5	5
Sarah Cox (Vice Chair, resigned 15 th April 2021)	4	4
Michele Sowden Mehta (Head Teacher) (appointed 1 st September 2020)	5	5
Paul Hale	5	5
Paul Goodwin (resigned 5 th July 2021)	4	5
Clair Barden	5	5
Katherine Shamsaddini (appointed 26 th January 2021)	2	2
Yvonne Martin (appointed 26 th January 2021)	2	2
Ben Roberts (appointed 27 th April 2021)	2	2

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

Governance Review

The Trust is currently actively seeking additional Members to increase the number of Members to five. The Directors are working with the Members to identify the most effective ways in which the Members can be kept informed of the Trust's performance and the Board's activities

There were several changes to the membership of the Trust Board during the year. Mrs Bennett, Mr Deepak Jayaprakash and Mrs Sarah E Martin resigned as Directors due to changes in their work commitments which meant they were unable to dedicate sufficient time to the role of Director.

Following the resignations, the Board conducted a skills review to assist in recruiting new Directors. As a result of the review the Board identified several areas which would benefit from increased capacity; these are finance, HR and legal. The Directors were subsequently pleased to appoint Mrs Sora Yago-Boli as a Director as she brought financial and corporate governance experience to the Board. The Board suspended further recruitment during the Covid-19 restrictions and hope to resume the search for additional Directors in the new academic year.

There are no Local Authority Associated Persons (LAAP) serving as Directors following Mrs Margetson's retirement from her post with the LA.

The Board believed that the skills and experience now available through the current Directors plus the support provided by the TBM would enable it to fulfil its responsibilities.

Review of Value for Money

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

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

- further development of the HR Admin role, working across all schools within the Trust and sharing their expertise and best practices for the benefit of all staff and pupils in our care
- securing the services of Gridserve, an IT managed service provider, to enable the implementation of the Trust's ICT strategy which will enable greater collaboration and seamless working across the Trust
- procuring a Trust catering contract which will ensure that all pupils of the Trust receive a good quality healthy meal for the same price, with additional savings from economies of scale for all of the Trust's schools

The Purpose of the System of Internal Control

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

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The Board of Trustees has decided to buy-in an internal audit service from Invicta Audit and Counter Fraud (IACF)

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

- testing of payroll and HR systems
- testing of school trips (including reimbursement of amounts paid by parents/carers for trips and events that did not go ahead due to the pandemic)
- testing of contracts and procurement

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

The internal auditors delivered their schedule of work as planned. Key strengths were identified across the Trust in relation to payroll and HR, with only one school receiving a limited opinion due to inexperienced personnel. The school has been given additional support from the Trust Central Team in order to resolve the issues raised. It was noted that school trips were well managed with only two schools identified as requiring further action, again as a result of a change of personnel which will be resolved through training. All refunds due from the cancellation of trips during the pandemic had been completed in accordance with recommended guidelines. Improvements were recommended in relation to procurement and contract management, which was an area of weakness already identified by the Trust Central Team, with training planned for early next year. The CFO is currently undertaking the Chartered Management Degree Apprenticeship for School Business Leadership and will use their learning to improve the Trust's systems and process in this area.

Overall, one school was qualified as Substantial, three schools and the central fund were adequate and one school was limited. The Central Team will work with the schools to improve these ratings and will report on their progress to the Finance and Audit Committee throughout the next year.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

The Risk and Control Framework (continued)

Review of Effectiveness

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

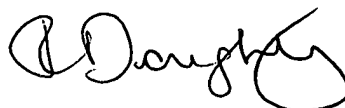
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance of the Finance and Audit Committee;
- the work of the Trust Business Manager who has responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 15 December 2021 and signed on their behalf by:



Mr J Meekums
Chair of the Board of Directors



Mrs R Doughty
Accounting Officer

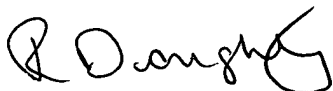
THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of The Pathway Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



Mrs R Doughty
Accounting Officer
Date: 15 December 2021

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 15 December 2021 and signed on its behalf by:



Mr Jake Meekums
Chair of the Board of Directors

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Pathway Academy Trust

Opinion

We have audited the financial statements of The Pathway Academy Trust (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Pathway Academy Trust (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

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

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

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Pathway Academy Trust (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

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

1. Assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud may occur.
2. Held discussions with the client regarding their policies and procedures on compliance with laws and regulations.
3. Held discussions with the client regarding their policies and procedures on fraud risks, including knowledge of any actual suspected or alleged fraud.

We consider the entity's controls effective in identifying fraud. We do not consider there to be significant difficulty in detecting irregularities.

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 and Registered Auditors

Statutory Auditor

12 Conqueror Court

Sittingbourne

Kent

ME10 5BH

Date: 20 December 2021

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to The Pathway Academy Trust
and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 3 June 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Pathway Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Pathway Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Pathway Academy Trust's funding agreement with the Secretary of State for Education dated 30 September 2015 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- 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 of 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

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Williams Giles Professional Services Ltd
Reporting Accountant
Chartered Accountants
Sittingbourne

Date: 20 December 2021

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

		Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
	Note					
Income from:						
Donations and capital grants	4	21,781	230	1,062,365	1,084,376	1,126,049
Other trading activities		107,834	109,074	-	216,908	228,089
Investments	7	226	-	-	226	1,785
Charitable activities		-	8,837,101	-	8,837,101	8,093,868
Total income		129,841	8,946,405	1,062,365	10,138,611	9,449,791
Expenditure on:						
Raising funds		66,034	-	-	66,034	90,422
Charitable activities		45,956	9,183,735	624,174	9,853,865	8,964,518
Total expenditure		111,990	9,183,735	624,174	9,919,899	9,054,940
Net income/(expenditure)		17,851	(237,330)	438,191	218,712	394,851
Transfers between funds	22	-	(117,850)	117,850	-	-
Net movement in funds before other recognised gains/(losses)		17,851	(355,180)	556,041	218,712	394,851
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	31	-	(515,000)	-	(515,000)	(257,000)
Net movement in funds		17,851	(870,180)	556,041	(296,288)	137,851

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Note					
Reconciliation of funds:					
Total funds brought forward	406,528	(2,918,787)	20,446,442	17,934,183	17,796,332
Net movement in funds	17,851	(870,180)	556,041	(296,288)	137,851
Total funds carried forward	<u>424,379</u>	<u>(3,788,967)</u>	<u>21,002,483</u>	<u>17,637,895</u>	<u>17,934,183</u>

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

The notes on pages 40 to 70 form part of these financial statements.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)
Registered number: 09782388

Balance Sheet
As at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	17	20,980,010	20,384,796
		<u>20,980,010</u>	<u>20,384,796</u>
Current assets			
Stocks	18	-	3,295
Debtors	19	649,650	979,748
Cash at bank and in hand		2,116,903	2,028,616
		<u>2,766,553</u>	<u>3,011,659</u>
Creditors: amounts falling due within one year	20	(807,425)	(1,472,272)
Net current assets		<u>1,959,128</u>	<u>1,539,387</u>
Total assets less current liabilities		<u>22,939,138</u>	<u>21,924,183</u>
Creditors: amounts falling due after more than one year	21	(160,243)	-
Net assets excluding pension liability		<u>22,778,895</u>	<u>21,924,183</u>
Defined benefit pension scheme liability	31	(5,141,000)	(3,990,000)
Total net assets		<u><u>17,637,895</u></u>	<u><u>17,934,183</u></u>

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)
Registered number: 09782388

Balance Sheet (continued)
As at 31 August 2021

	Note	2021 £	2020 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	22	21,002,483	20,446,442
Restricted income funds	22	1,352,033	1,071,213
Restricted funds excluding pension asset	22	22,354,516	21,517,655
Pension reserve	22	(5,141,000)	(3,990,000)
Total restricted funds	22	17,213,516	17,527,655
Unrestricted income funds	22	424,379	406,528
Total funds		17,637,895	17,934,183

The financial statements on pages 35 to 70 were approved by the Trustees, and authorised for issue on 15 December 2021 and are signed on their behalf, by:



Mr Jake Meekums
Chair of the Board of Directors

The notes on pages 40 to 70 form part of these financial statements.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	24	20,053	526,553
Cash flows from investing activities	26	(109,954)	(266,980)
Cash flows from financing activities	25	178,188	-
Change in cash and cash equivalents in the year		88,287	259,573
Cash and cash equivalents at the beginning of the year		2,028,616	1,769,043
Cash and cash equivalents at the end of the year	27, 28	<u>2,116,903</u>	<u>2,028,616</u>

The notes on pages 40 to 70 form part of these financial statements

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. General information

The Pathway Academy Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Culverstone Green Primary, Wrotham Road, Gravesend, Kent, United Kingdom, DA13 0RF. The principal activity of the academy trust is to provide primary education for pupils that satisfies the requirements of the Education Act 2002.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Pathway 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 £1.

2.2 Going concern

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

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

2.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.5 Interest receivable

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

2.6 Taxation

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

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

2.7 Tangible fixed assets

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

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

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 basis:

Long-term leasehold property	-	2% straight line
Furniture and equipment	-	20% straight line
Computer equipment	-	25% straight line
Motor vehicles	-	25% 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.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities

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

2.12 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 20 and 21. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.13 Operating leases

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

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.14 Pensions

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

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

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

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

2.15 Fund accounting

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

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.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

3. Critical accounting estimates and areas of judgment

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.

Multi-employer defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 31, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 reassessed 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 17 for the carrying amount of the property, plant and equipment, and note 2.7 for the useful economic lives for each class of assets.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

4. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	21,781	230	-	22,011	25,460
Capital Grants	-	-	1,062,365	1,062,365	1,100,589
	<u>21,781</u>	<u>230</u>	<u>1,062,365</u>	<u>1,084,376</u>	<u>1,126,049</u>
<i>Total 2020</i>	<u>25,256</u>	<u>204</u>	<u>1,100,589</u>	<u>1,126,049</u>	

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

5. Funding for the Academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £	<i>As restated Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	7,148,256	7,148,256	6,677,337
Other DfE/ESFA grants			
Pupil Premium	397,880	397,880	361,253
Teachers Pension Grant	252,347	252,347	253,377
Teachers Pay Grant	89,307	89,307	89,671
UFSM	206,964	206,964	210,635
PE & Sports Premium	96,150	96,150	96,140
Rates Reclaim	33,861	33,861	28,314
Others	38,920	38,920	23,440
	<hr/> 8,263,685	<hr/> 8,263,685	<hr/> 7,740,167
Other Government grants			
Special educational projects	257,967	257,967	186,186
Early Years	95,365	95,365	75,915
Others	37,975	37,975	75,836
	<hr/> 391,307	<hr/> 391,307	<hr/> 337,937
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	149,760	149,760	-
Other DfE/ESFA COVID-19 funding	14,805	14,805	-
	<hr/> 164,565	<hr/> 164,565	<hr/> -
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	17,544	17,544	15,764
	<hr/> 17,544	<hr/> 17,544	<hr/> 15,764
	<hr/> 8,837,101	<hr/> 8,837,101	<hr/> 8,093,868
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2020 as restated</i>	<hr/> <hr/> 8,093,868	<hr/> <hr/> 8,093,868	<hr/> <hr/>

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

5. Funding for the Academy's educational operations (continued)

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

The academy furloughed some of its catering and lettings staff under the government's CJRS. The funding received of £17,544 relates to staff costs in respect of 15 staff which are included within the staff costs note below as appropriate.

The academy received £150k of funding for catch-up premium and costs incurred in respect of this funding totalled £150k.

6. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Catering income	-	58,796	58,796	60,008
Consultancy income	-	5,238	5,238	2,505
Hire of facilities	13,563	-	13,563	17,893
Insurance reclaims	-	44,144	44,144	30,432
Extended services income	56,693	-	56,693	42,470
School trip income	31,357	896	32,253	60,280
Other income	6,221	-	6,221	14,501
	<u>107,834</u>	<u>109,074</u>	<u>216,908</u>	<u>228,089</u>
<i>Total 2020</i>	<u>123,232</u>	<u>104,857</u>	<u>228,089</u>	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	226	226	1,785
	<u>226</u>	<u>226</u>	<u>1,785</u>
<i>Total 2020</i>	<u>1,785</u>	<u>1,785</u>	

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	<i>Total 2020 £</i>
Expenditure on raising voluntary income:					
Direct costs	-	-	66,034	66,034	90,422
Educational Operations:					
Direct costs	6,077,230	-	424,135	6,501,365	5,904,025
Allocated support costs	1,653,942	340,797	1,357,761	3,352,500	3,060,493
	<u>7,731,172</u>	<u>340,797</u>	<u>1,847,930</u>	<u>9,919,899</u>	<u>9,054,940</u>
<i>Total 2020</i>	<u><u>6,949,057</u></u>	<u><u>254,086</u></u>	<u><u>1,851,797</u></u>	<u><u>9,054,940</u></u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Educational Operations	<u>6,501,365</u>	<u>3,352,500</u>	<u>9,853,865</u>	<u>8,964,518</u>
<i>Total 2020</i>	<u><u>5,904,025</u></u>	<u><u>3,060,493</u></u>	<u><u>8,964,518</u></u>	

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	6,077,230	6,077,230	5,509,795
Educational supplies	282,225	282,225	262,870
Staff development	51,038	51,038	63,038
Educational consultancy	90,872	90,872	68,322
	<u>6,501,365</u>	<u>6,501,365</u>	<u>5,904,025</u>
<i>Total 2020</i>	<u><u>5,904,025</u></u>	<u><u>5,904,025</u></u>	

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
LGPS costs	61,000	61,000	60,000
Staff costs	1,517,268	1,517,268	1,342,744
Depreciation	571,980	571,980	558,466
Technology costs	45,956	45,956	36,666
Recruitment and support costs	24,027	24,027	30,443
Maintenance of premises and equipment	230,487	230,487	173,760
Cleaning	110,310	110,310	80,326
Rent and rates	30,871	30,871	72,667
Energy costs	101,676	101,676	101,410
Insurance	69,066	69,066	69,703
Security and transport	13,969	13,969	10,747
Catering costs	236,639	236,639	214,797
Bank charges	150	150	129
Printing, postage and stationary	9,355	9,355	7,176
Other support costs	169,039	169,039	181,653
Agency costs	136,674	136,674	96,518
Bad debt write off	90	90	-
Governance costs	23,943	23,943	23,288
	<u>3,352,500</u>	<u>3,352,500</u>	<u>3,060,493</u>
<i>Total 2020</i>	<u>3,060,493</u>	<u>3,060,493</u>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	8,574	4,391
Depreciation of tangible fixed assets	<u>571,980</u>	<u>558,466</u>

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

11. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Academy's auditor and its associates for the audit of the Academy's annual accounts	14,200	14,500
Fees payable to the Academy's auditor and its associates in respect of: Audit-related assurance services	<u>3,850</u>	<u>6,725</u>

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	5,396,055	4,994,698
Social security costs	435,909	389,968
Pension costs	1,762,534	1,467,873
	<u>7,594,498</u>	<u>6,852,539</u>
Agency staff costs	136,674	96,518
	<u>7,731,172</u>	<u>6,949,057</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	75	84
Administration and support	194	186
Management	27	27
	<u>296</u>	<u>297</u>

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

12. Staff (continued)

c. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	-	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	2	1
	<u> </u>	<u> </u>

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £323,913 (2020 £305,628).

13. Central services

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

- Finance
- Governance
- Human resources
- Educational support

The Academy charges for these services on the following basis:

Central service costs are charged to the individual schools on the basis of 5% of each schools GAG allocation and 4% of each schools Teachers' Pension Grant allocation.

The actual amounts charged during the year were as follows:

	2021	2020
	£	£
Culverstone Green Primary	40,925	31,259
Meopham Community Academy	83,679	60,327
Riverview Infant School	66,167	51,842
Riverview Junior School	93,496	67,891
Wrotham Road Primary	83,240	62,108
	<u> </u>	<u> </u>
Total	367,507	273,427
	<u> </u>	<u> </u>

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

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:

		2021 £	2020 £
Mrs Nicole Caulfield	Remuneration	90,000 - 95,000	85,000 - 90,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
Mrs Ruth Doughty	Remuneration	95,000 - 100,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000

During the year ended 31 August 2021, expenses totalling £105 were reimbursed or paid directly to 2 Trustees (2020 - £NIL). The expenses reimbursed were for training, travel and other expenses incurred on behalf of the Trust.

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.

16. Net pension interest

	2021 £	2020 £
Interest income on pension scheme assets	72,000	75,000
Interest on pension scheme liabilities	(133,000)	(135,000)
	<u>(61,000)</u>	<u>(60,000)</u>

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

17. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	21,422,720	292,578	425,911	53,080	22,194,289
Additions	1,160,110	-	12,435	-	1,172,545
Disposals	(5,360)	-	-	-	(5,360)
At 31 August 2021	<u>22,577,470</u>	<u>292,578</u>	<u>438,346</u>	<u>53,080</u>	<u>23,361,474</u>
Depreciation					
At 1 September 2020	1,249,146	199,335	324,903	36,109	1,809,493
Charge for the year	434,632	45,795	78,285	13,268	571,980
On disposals	(9)	-	-	-	(9)
At 31 August 2021	<u>1,683,769</u>	<u>245,130</u>	<u>403,188</u>	<u>49,377</u>	<u>2,381,464</u>
Net book value					
At 31 August 2021	<u>20,893,701</u>	<u>47,448</u>	<u>35,158</u>	<u>3,703</u>	<u>20,980,010</u>
At 31 August 2020	<u>20,173,574</u>	<u>93,243</u>	<u>101,008</u>	<u>16,971</u>	<u>20,384,796</u>

18. Stocks

	2021 £	2020 £
Finished goods and goods for resale	<u>-</u>	<u>3,295</u>

19. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	490	7,003
VAT recoverable	98,033	96,949
Prepayments and accrued income	551,127	875,796
	<u>649,650</u>	<u>979,748</u>

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

20. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	17,945	-
Trade creditors	178,525	231,136
Other taxation and social security	1,023	25,246
Accruals and deferred income	609,932	1,215,890
	<u>807,425</u>	<u>1,472,272</u>

Accruals have increased significantly in the year due to a large roofing project undertaken over the summer break.

	2021 £	2020 £
Deferred income at 1 September 2020	157,647	174,737
Resources deferred during the year	143,205	157,647
Amounts released from previous periods	(157,647)	(174,737)
	<u>143,205</u>	<u>157,647</u>

Deferred income consists mainly of Universal Infant Free School Meals grant income as well as Rates Relief income received in 2020/21 in respect of 2021/22.

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

	2021 £	2020 £
Other loans	160,243	-

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and two years		
Other loans	18,188	-
Between two and five years		
Other loans	56,065	-
Over five years		
Other loans	85,990	-

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

	2021 £	2020 £
Payable or repayable by instalments	85,990	-
	<u>85,990</u>	<u>-</u>

During the year, Meopham Community Academy received a loan from Salix Finance Limited repayable in equal instalments ending in March 2029. This loan attracts no interest.

During the year, Meopham Community Academy received a CIF loan repayable in equal instalments ending in August 2031. This loan attracts interest at a rate of 1.95%.

During the year, Riverview Juniors received a CIF loan repayable in equal instalments ending in August 2031. This loan attracts interest at a rate of 1.95%.

During the year, Riverview Juniors received a second CIF loan repayable in equal instalments ending in August 2031. This loan attracts interest at a rate of 1.95%.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

22. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	<u>406,528</u>	<u>129,841</u>	<u>(111,990)</u>	<u>-</u>	<u>-</u>	<u>424,379</u>
Restricted general funds						
General annual grant (GAG)	1,071,213	7,148,256	(6,749,586)	(117,850)	-	1,352,033
Pupil Premium	-	397,880	(397,880)	-	-	-
Teachers Pension Grant	-	252,347	(252,347)	-	-	-
Teachers Pay Grant	-	89,307	(89,307)	-	-	-
UIFSM	-	206,964	(206,964)	-	-	-
PE & Sports Premium	-	96,150	(96,150)	-	-	-
Rates Reclaim	-	33,861	(33,861)	-	-	-
Other DfE/ESFA grants	-	38,920	(38,920)	-	-	-
Special educational projects	-	257,967	(257,967)	-	-	-
Early Years	-	95,365	(95,365)	-	-	-
Other Government grants	-	37,975	(37,975)	-	-	-
Covid-19 Catch-up premium	-	149,760	(149,760)	-	-	-
Other DfE/ESFA Covid funding	-	14,805	(14,805)	-	-	-
CJRS	-	17,544	(17,544)	-	-	-
Other	-	109,304	(109,304)	-	-	-
Pension reserve	(3,990,000)	-	(636,000)	-	(515,000)	(5,141,000)
	<u>(2,918,787)</u>	<u>8,946,405</u>	<u>(9,183,735)</u>	<u>(117,850)</u>	<u>(515,000)</u>	<u>(3,788,967)</u>

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

22. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted fixed asset funds						
Assets held for depreciation	20,384,796	-	(577,331)	1,172,545	-	20,980,010
Capital funds including CIF	55,569	1,062,365	(40,766)	(876,507)	-	200,661
Other restricted funds	6,077	-	(6,077)	-	-	-
Salix/CIF Loans	-	-	-	(178,188)	-	(178,188)
	<u>20,446,442</u>	<u>1,062,365</u>	<u>(624,174)</u>	<u>117,850</u>	<u>-</u>	<u>21,002,483</u>
Total Restricted funds	<u>17,527,655</u>	<u>10,008,770</u>	<u>(9,807,909)</u>	<u>-</u>	<u>(515,000)</u>	<u>17,213,516</u>
Total funds	<u>17,934,183</u>	<u>10,138,611</u>	<u>(9,919,899)</u>	<u>-</u>	<u>(515,000)</u>	<u>17,637,895</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.

The transfer of funds relates to the purchase of fixed assets during the period.

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

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

22. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
Unrestricted funds	383,343	150,273	(127,088)	-	-	406,528
Restricted funds						
General annual grant (GAG)	972,248	6,677,337	(6,387,482)	(190,890)	-	1,071,213
Pupil Premium	-	484,972	(484,972)	-	-	-
Teachers Pension Grant	-	361,253	(361,253)	-	-	-
Teachers Pay Grant	-	359,671	(359,671)	-	-	-
UIFSM	-	105,061	(105,061)	-	-	-
Other DfE/ESFA grants	-	210,635	(210,635)	-	-	-
Pension reserve	(3,291,000)	-	(442,000)	-	(257,000)	(3,990,000)
	<u>(2,318,752)</u>	<u>8,198,929</u>	<u>(8,351,074)</u>	<u>(190,890)</u>	<u>(257,000)</u>	<u>(2,918,787)</u>
Restricted fixed asset funds						
Assets held for depreciation	19,573,908	-	(558,466)	1,369,354	-	20,384,796
Capital funds including CIF	151,756	-	(18,312)	(77,875)	-	55,569
CIF bids	-	1,100,589	-	(1,100,589)	-	-
Other restricted funds	6,077	-	-	-	-	6,077
	<u>19,731,741</u>	<u>1,100,589</u>	<u>(576,778)</u>	<u>190,890</u>	<u>-</u>	<u>20,446,442</u>
Total Restricted funds	<u>17,412,989</u>	<u>9,299,518</u>	<u>(8,927,852)</u>	<u>-</u>	<u>(257,000)</u>	<u>17,527,655</u>
Total funds	<u>17,796,332</u>	<u>9,449,791</u>	<u>(9,054,940)</u>	<u>-</u>	<u>(257,000)</u>	<u>17,934,183</u>

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

22. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£	£
Culverstone Green Primary	265,544	202,803
Meopham Community Academy	222,274	175,631
Riverview Infant School	266,781	283,165
Riverview Junior School	339,603	303,763
Wrotham Road Primary	608,102	417,015
Central	74,108	95,364
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,776,412	1,477,741
Restricted fixed asset fund	21,002,483	20,446,442
Pension reserve	(5,141,000)	(3,990,000)
	<hr/>	<hr/>
Total	17,637,895	17,934,183
	<hr/> <hr/>	<hr/> <hr/>

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

22. Statement of funds (continued)

Total cost analysis by school

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 2021 £	Total 2020 £
Culverstone Green Primary	637,192	102,795	33,024	157,921	930,932	939,200
Meopham Community Academy	1,224,299	163,111	77,535	300,154	1,765,099	1,708,199
Riverview Infant School	1,184,433	127,730	61,620	281,845	1,655,628	1,493,528
Riverview Junior School	1,532,790	212,841	78,300	328,282	2,152,213	1,892,157
Wrotham Road Primary	1,343,567	203,586	47,710	224,400	1,819,263	1,741,299
Central	154,949	707,205	162,630	-	1,024,784	722,091
School	6,077,230	1,517,268	460,819	1,292,602	9,347,919	8,496,474

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	20,980,010	20,980,010
Current assets	424,379	2,141,513	200,661	2,766,553
Creditors due within one year	-	(789,480)	(17,945)	(807,425)
Creditors due in more than one year	-	-	(160,243)	(160,243)
Provisions for liabilities and charges	-	(5,141,000)	-	(5,141,000)
Total	424,379	(3,788,967)	21,002,483	17,637,895

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	20,384,796	20,384,796
Current assets	406,528	2,543,485	61,646	3,011,659
Creditors due within one year	-	(1,472,272)	-	(1,472,272)
Provisions for liabilities and charges	-	(3,990,000)	-	(3,990,000)
Total	406,528	(2,918,787)	20,446,442	17,934,183

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	218,712	394,851
Adjustments for:		
Depreciation	571,980	558,466
Capital grants from DfE and other capital income	(1,062,365)	(1,100,589)
Interest receivable	(226)	(1,785)
Defined benefit pension scheme cost less contributions payable	636,000	442,000
Decrease/(increase) in stocks	3,295	(3,295)
Decrease/(increase) in debtors	330,098	(724,116)
(Decrease)/increase in creditors	(682,792)	961,021
Loss on the sale of fixed assets	5,351	-
Net cash provided by operating activities	20,053	526,553

25. Cash flows from financing activities

	2021 £	2020 £
Cash inflows from new borrowing	178,188	-
Net cash provided by financing activities	178,188	-

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

26. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	226	1,785
Purchase of tangible fixed assets	(1,172,545)	(1,369,354)
Capital grants from DfE Group	1,062,365	1,100,589
Net cash used in investing activities	(109,954)	(266,980)

27. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	2,116,903	2,028,616
Total cash and cash equivalents	2,116,903	2,028,616

28. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,028,616	88,287	2,116,903
Debt due within 1 year	-	(17,945)	(17,945)
Debt due after 1 year	-	(160,243)	(160,243)
	2,028,616	(89,901)	1,938,715

29. Contingent liabilities

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the ESFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the ESFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the ESFA.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

30. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Repairs, maintenance or enhancements to property	665,620	418,934

At 31 August 2021, the Academy was committed to heating works and fire safety works, the anticipated costs of the project were £665,620. The costs are due to be covered by CIF funding, a salix loan and school contribution.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

31. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £793,932 (2020 - £744,873).

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

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

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

31. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £500,000 (2020 - £437,000), of which employer's contributions totalled £391,000 (2020 - £341,000) and employees' contributions totalled £ 109,000 (2020 - £96,000). The agreed contribution rates for future years are 22.5 per cent for employers and variable per cent for employees.

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

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.25
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.25
Commutation of pensions to lump sums	50.00	50.00

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

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

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

31. Pension commitments (continued)

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	10,256	8,073
Discount rate -0.1%	10,772	8,480
Mortality assumption - 1 year increase	10,927	8,573
Mortality assumption - 1 year decrease	10,111	7,985
CPI rate +0.1%	10,533	8,293
CPI rate -0.1%	10,489	8,255

Share of scheme assets

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

	2021	2020
	£	£
Equities	3,515,000	2,775,000
Gilts	30,000	29,000
Other bonds	745,000	553,000
Property	552,000	471,000
Cash and other liquid assets	154,000	130,000
Absolute return fund	374,000	326,000
Total market value of assets	5,370,000	4,284,000

The actual return on scheme assets was £647,000 (2020 - £294,000).

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

	2021	2020
	£	£
Current service cost	(963,000)	(721,000)
Interest income	72,000	75,000
Interest cost	(133,000)	(135,000)
Total amount recognised in the Statement of Financial Activities	(1,024,000)	(781,000)

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

31. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	8,274,000	7,062,000
Current service cost	963,000	721,000
Interest cost	133,000	135,000
Employee contributions	109,000	96,000
Actuarial losses	1,090,000	318,000
Benefits paid	(58,000)	(58,000)
At 31 August	10,511,000	8,274,000

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

	2021 £	2020 £
At 1 September	4,284,000	3,771,000
Interest income	72,000	75,000
Actuarial gains	575,000	61,000
Employer contributions	388,000	339,000
Employee contributions	109,000	96,000
Benefits paid	(58,000)	(58,000)
At 31 August	5,370,000	4,284,000

32. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	8,778	8,574
Later than 1 year and not later than 5 years	6,868	15,646
	15,646	24,220

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2021 £	2020 £
Operating lease rentals	8,574	4,391

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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

33. 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.

34. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 14.