



THE PATHWAY ACADEMY TRUST

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

Registered Company N°9782388

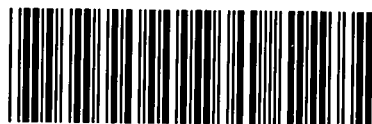
THE PATHWAY ACADEMY TRUST

(A company limited by guarantee)

Annual report and financial statements

for the period ended 31 August 2020

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THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Reference and Administrative Details

Members	Mr Alan Wallaker (resigned 13 February 2020) Mr Philip Batson Mrs Jane Partridge-Dyer Mrs Susan Lythgoe
Trustees	Mr Alan Wallaker, Chair ^{1,3} Mrs Jan Bennett (resigned 22 July 2020) Mrs Dawn Bramer Mrs Nicole Caulfield Mrs Ruth Doughty Mr Mark Law ^{2,3} Mrs Jennifer Margetson ³ Mr Deepak Jayaprakash (resigned 27 January 2020) ³ Ms Elizabeth Wade Mrs Sarah Martin (resigned 30 September 2019) Mrs Suzanne Mayhew ³ Mrs Sora Yago-Boli (appointed 22 April 2020) ³ 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 Nicole Caulfield, Deputy CEO Mrs Ruth Doughty, Chief Executive Officer & Accounting Officer Mrs Andrya Norris, Chief Financial Officer
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 2020

Solicitors

Mr Brendan Roodt
Brait Ltd
Suite 3 Brown Europe House Gleaming
Wood Drive
Chatham
Kent
ME5 8RZ

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The academy trust operates three primary schools (one of which includes nursery provision), one infant school and one junior school in Gravesham, in South East England. Its academies currently have a combined pupil capacity of 1,930 and had a roll of 1,897 in the school census in October 2019.

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
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Trustees' Report (continued)
For the Year Ended 31 August 2020

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.

All Directors and Local Governors are recruited based on the skills required for the Trust Board and the LGB to fulfil their responsibilities.

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 Academies 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
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Trustees' Report (continued)
For the Year Ended 31 August 2020

Structure, Governance and Management (continued)

f. Organisational Structure

The structure consists of five management levels: The Pathway Academy Trust Board ('the Board'), the Executive Leadership Team (ELT), The Trust Central Team, 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 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 Trust Central Team consists of the Trust Business Manager (TBM), the Deputy Trust Business Manager and the Finance & Personnel Assistant. The TBM is responsible for the strategic leadership of the Trust's operations and the development of the central team. The Deputy TBM is responsible for the business management of the Trust's constituent schools.

The Senior Leadership Teams consist of the Head Teachers, Deputy 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. 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 of the Chief Executive Officer and Director of Education.

h. Related parties and other connected charities and organisations

Two Trustees are also trustees of Culverstone Green Nursery.

THE PATHWAY ACADEMY TRUST
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Trustees' Report (continued)
For the Year Ended 31 August 2020

Structure, Governance and Management (continued)

i. 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.

j. 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 24 days, which is within the standard payment period of 30 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
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Trustees' Report (continued)
For the Year Ended 31 August 2020

Objectives and Activities (continued)

b. Objectives, strategies and activities

The Pathway Academy Trust, founded in October 2015, believes that it is leading the way in the pursuit of excellence: in the spirit of collaboration and inspiration, through a creative, inclusive and child-centred education.

Learning is at the centre of our pedagogy. We firmly believe learning is a partnership and that through working collaboratively we will achieve the highest outcomes for all. We believe that every child is unique and ensure that learning experiences are tailored to meet the needs of individual children. We pride ourselves on providing the highest quality learning experiences; learning is fun, practical and engaging. Children are enthusiastic, motivated independent learners. They feel safe, valued and included and are aspirational about their futures

The main objectives of the Trust are summarised below:

1. Excellent quality of education: deliver outstanding outcomes for children
2. Ambitious leadership at all levels: disseminating good practice and providing excellent development opportunities and resources, provide an excellent framework of governance and leadership and build a strong reputation as a successful and high quality educational organisation
3. Exceptional value for money: budget planning that supports sustainability and ensures high standards across all schools
4. Investment in people: through robust appraisal and CPD programmes to build a sustainable workforce
5. Inspirational opportunities for all: a focus on continuous improvement seeing challenge as an opportunity
6. Safeguarding and safety: all academies have a positive safeguarding outcome and promote the teaching and learning aspects of safeguarding and safety for all stakeholders
7. Systems and organisational effectiveness: assessment systems ensure consistency in standards across all academies, risk is well managed

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.

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

THE PATHWAY ACADEMY TRUST
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Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic Report (continued)

Achievements and Performance (continued)

a. Key performance indicators

		CGPS	MCA	RVI	RVJ	WRP	Benchmarking	
							Min	Max
Total Staff Salary Costs (£ 000s)		£703	£1348	£1202	£1586	£1442		
		2019	2019	2019	2019	2019		
Staff Income and Expenditure Metrics	Total Staff Salary Costs as % of Total Revenue Expenditure	72%	74%	79%	79%	81%	75%	78%
	Total Staff Salary Costs as % of Total Revenue Income	71%	78%	75%	78%	76%	72%	75%
	Teaching Staff Salary Costs as % of Total Revenue Expenditure (%)	47%	49%	52%	52%	54%	44%	48%
	Teaching Staff Salary Costs as Proportion of Total Revenue Income (%)	46%	53%	50%	52%	50%	44%	47%
	Education Support Staff Salary Costs as % of Total Revenue Expenditure	15%	13%	16%	15%	16%	14%	17%
	Education Support Staff Salary Costs as % of Total Revenue Income	15%	14%	16%	15%	15%	14%	16%
	Other Support Staff Salary Costs as % of Total Revenue Expenditure	10%	10%	10%	11%	11%	5%	7%
	Other Support Staff Salary Costs as % of Total Revenue Income	10%	11%	10%	11%	11%	6%	8%
	Average Teacher Salary Cost (£000)	£56k	£57k	£59k	£51k	£39k	£36k	£45k
	Senior Leadership Team Salary Costs as % of Total Revenue Income	21%	13%	19%	20%	21%	7%	12%
Other Financial Metrics	Average Additional Income per Pupil (£)	£77	£22	£76	£258	£77	£300	for MATs
	Total Revenue Expenditure as % of Total Revenue Income	97.1%	106.1%	95.6%	99.5%	93.7%	96%	101%
	Current In-Year Deficit / Surplus as % of Total Revenue Income	2.9%	-6.1%	4.4%	0.5%	6.3%	-1%	4%

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
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Trustees' Report (continued)
For the Year Ended 31 August 2020

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, for example purchasing reusable cleaning materials to manage Covid related requirements rather than disposable wipes.

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
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Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic Report (continued)

Financial review

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 £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 £1,477,741 (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.

THE PATHWAY ACADEMY TRUST
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Trustees' Report (continued)
For the Year Ended 31 August 2020

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 school closures and introducing remote learning platforms.

An extract from the risk register of key risks that have been considered and the mitigating actions in place is shown below.

5. Business Continuity										
5e	The impact of Brexit including disruption to services, staff availability, increased risk of racist incidents and environmental factors resulting from increased traffic	4	5	4	Government and local authority guidelines read and followed re medicines and catering to prevent the disruption of the supply chain	3	3	9	Ongoing uncertainty about final political arrangements and the impacts from 1 st January 2021	Higher
					Staff to follow the guidance for severe weather in order to mitigate against travel disruption / transport issues				All schools have an inclusive ethos which is promoted through focused teaching and PHSE lessons	
					Use of equality objective to enhance provision in schools					
					Log and report racist incidents internally and to the Local Authority					
5f	The impact of Coronavirus and other diseases on the provision of education; staff and pupil wellbeing and future funding	5	5		Government guidelines read and followed re cleaning, personal hygiene and self-isolation	4	5	20	Cleaners focusing on surfaces and using anti-virus products	Higher
					Schools advised to follow Public Health England if cases are confirmed				Pupils advised to wash hands, posters in all toilet and sick areas	
					Covid risk assessments and procedures are followed by all schools				Trust recovery plan developed which covers the provision of quality education and pupil wellbeing	
					Risk assessments are easily accessible to all staff				Remote learning policy is in place	
					CEO checks DfE dashboard for teacher and pupil attendance at each school and discuss any issues with the Head Teacher					
					Business continuity plans etc. are updated to take into account actions required in response to pandemics				Catch up funding to be monitored by the school's LBGs	

THE PATHWAY ACADEMY TRUST
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Trustees' Report (continued)
For the Year Ended 31 August 2020

d. 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 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ended 31 August 2020, total expenditure of £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 £394,851.

At 31 August 2020 the net book value of fixed assets was £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 £3,990,000 as at 31 August 2020. This is an increase of £699,000 on the previous year.

Fundraising

The schools of The Pathway Academy Trust 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. Their fundraising activities are primarily targeted at families, carers and friends of the schools.

Due to the Coronavirus pandemic, most of the annual fundraising events had to be cancelled which has had a significant effect on the school's ability to fund raise this year. Schools and their PTAs are considering other ways to increase fundraising under the current circumstances, including requesting voluntary donations from parents to the school's unrestricted fund. These funds can then be used, for example, to purchase additional resources for the school, or subsidise school trips or events. 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.

No fundraising complaints have been received.

THE PATHWAY ACADEMY TRUST
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Trustees' Report (continued)
For the Year Ended 31 August 2020

Streamlined Energy and Carbon Reporting

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

	2020
Energy consumption used to calculate emissions (kWh)	781,227
Energy consumption breakdown (kWh):	
Gas	377,171
Electricity	399,479
Transport fuel	4,577
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	69.35
Owned transport	0.38
Total scope 1	69.73
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	93.14
Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	0.74
Total gross emissions (in tonnes of CO2 equivalent):	163.61
Intensity ratio:	
Tonnes of CO2 equivalent per pupil	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 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

The Trust is arranging an energy efficiency review for all of the schools and will consider any recommendations from the report.

Schools actively review energy conservation and have taken positive steps to lower emissions, including replacing roofing to provide greater insulation and replacing lighting with low emission LED bulbs.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Plans for Future Periods

The Board and Executive Leadership Team are re-visiting the values and beliefs of the organisation to enable all stakeholders to be able to define and articulate these.

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.

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 16 December 2020 and signed on its behalf by:



Mr A Wallaker
Chair of the Board of Trustees

THE PATHWAY ACADEMY TRUST
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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.

The board of trustees has delegated the day-to-day responsibility to the 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. The Accounting Officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

THE PATHWAY ACADEMY TRUST
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Governance Statement (continued)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 7 times during the year. In accordance with the guidance issued by the Department for Education in response to the Covid-19 outbreak the board has met virtually since March 2020.

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	7	7
Mrs Jan Bennett	6	7
Mrs Dawn Bramer	7	7
Mrs Nicole Caulfield	7	7
Mrs Ruth Doughty	6	7
Mr Mark Law	7	7
Mrs Jennifer Margetson	6	7
Mr Deepak Jayaprakash	1	3
Ms Elizabeth Wade	4	7
Mrs Sarah Martin	1	1
Mrs Suzanne Mayhew	6	7
Mrs Sora Yago-Boli	1	2

Mrs Doughty resigned as Head Teacher at Culverstone Green Primary School at the end of the 2019/20 academic year.

The Trust's governance arrangements are in accordance with its Articles of Association. The Board of Directors has overall responsibility for the staffing, finance and health & safety of the Trust as well as the standards of all schools. The Board has established a Finance & Audit Committee and Standards Committee.

Finance and Audit Committee (FAC)

The role of the FAC 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 FAC has met virtually since March 2020.

Trustee	Meetings attended	Out of a possible
Mark Law (Chair)	3	3
Jenny Margetson	2	3
Alan Wallaker	3	3
Deepak Jayaprakash	0	1
Suzanne Mayhew	2	3
Sora Yago-Boli	1	1

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

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

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 2019/20 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. In accordance with the guidance issued by the Department for Education in response to the Covid-19 outbreak the LGBs have met virtually since March 2020.

Culverstone Green Primary School LGB

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	5
Helena Gula (Vice Chair)	5	5
Ruth Doughty (Head Teacher)	5	5
Priya Shome (end of term 21 February 2020)	1	2
Tricia Warner	5	5
Aimee Plourde Stabler	5	5
Fiona Ashford	5	5
Steve Hayden	4	4

Riverview Infant School LGB

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
Robin Friday (Chairman)	3	4
Hits Patel (Vice Chair)	4	4
Nicole Caulfield (Head Teacher)	4	4
Sue Garrard	4	4
Jacqui Hutchison	2	4
Peter Harris	2	4
Hayley Chisholm	3	4
Richard Clark (resigned 13 May 2020)	1	2
Rifet Purveen-Karim	3	4
Paul Devenney (appointed 15 November 2019)	2	3

Riverview Junior School LGB

The LGB has met formally four times during the year. Attendance during the year at meetings was as follows:

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Governance Statement (continued)

Governance (continued)

	Meetings Attended	Out of a possible
Richard Epps (Chair)	4	4
Roy Carlo (Vice Chair)	4	4
James Kendall (Head Teacher)	4	4
Kerrie Ward	4	4
Mick Butteriss	3	4
Martin Hill	3	4
Wes Heerfall	0	4
Clare Chisholm (appointed 1 April 2020)	2	2
Gary Hagon (appointed 1 April 2020)	1	2

Wrotham Road Primary School LGB

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)	3	4
Sarah Jack (Head Teacher)	4	4
Jeremy Bownas	3	4
John Death	3	4
Gurpreet Saib	3	4
Margaret Tillett	3	4
John Webster	3	4
Gurneet Bains (resigned 13 December 2019)	0	1

Meopham Community Academy LGB

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
Jan Bennett (Interim Chair) (appointed 28 October 2019; resigned 22 July 2020)	4	4
Helena Gula (Interim Chair) (appointed 22 July 2020)	0	0
Sarah Cox (Vice Chair)	4	4
Rebecca Nicholson (Head Teacher) (resigned 30 April 2020)	1	2
Andrew Sharrod (resigned 1 September 2019)	0	0
Emma Green	3	4
Paul Hale (Acting Head Teacher from 1 May 2020)	4	4
Sarbjot Bassi (resigned 30 January 2020)	0	2
Paul Goodwin (appointed 30 January 2020)	2	3
Clare Barden (appointed 30 January 2020)	3	3

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:

- key personnel working across all schools within the Trust, sharing their expertise and best practices for the benefit of the all pupils in our care
- central procurement of key operational contracts has achieved economies of scale and streamlined the administration process
- combining training and Inset days, promoting team work, collaborative working, with a trust-centred approach to learning and the additional benefit of economies of scale on the cost of outside training providers

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 2019 to 31 August 2020 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Finance and 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 employ Invicta Audit and Counter Fraud (IACF) as internal auditor.

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 systems
- testing of purchase systems
- testing of income
- testing of control account/ bank reconciliations

On a bi-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 first schedule of work as planned in the 2019-20 financial year, however the second planned visits had to be cancelled due to the Coronavirus pandemic. The Trust Business Manager performed a compliance check based on the proposed schedule and presented their findings to the Finance & Audit Committee for review. Where issues have been identified, a plan of corrective actions will be produced by the Trust central team and discussed with the School Business Manager or School Finance Officer as appropriate. Completion of these actions will be monitored by the Trust central team during their monthly finance monitoring visits and checks and progress reported to the Finance & Audit Committee.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

The Risk and Control Framework (continued)

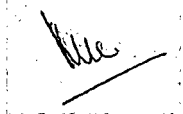
Review of Effectiveness

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:

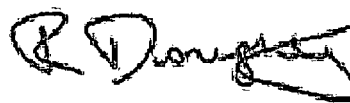
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance of the Finance and Audit Committee;
- the work of the Trust Business Manager who has responsibility for the development and maintenance of the internal control framework.

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 16 December 2020 and signed on their behalf by:



Mr A Wallaker
Chair of the Board of Trustees



Mrs R Doughty
Accounting Officer

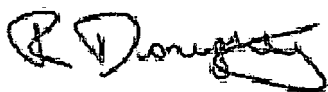
THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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 & 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 2019.

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 2019.

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: 16 December 2020

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2020

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 2019 to 2020;
- 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 16 December 2020 and signed on its behalf by:



Mr A Wallaker
Chair of the Board of Trustees

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 2020 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 2019 to 2020 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 2020 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 2019 to 2020 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

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

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

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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report 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.

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)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Crawford FCA (Senior Statutory Auditor)
for and on behalf of
Williams Giles Professional Services Ltd
Chartered Accountants and Registered Auditors
Statutory Auditor
12 Conqueror Court

Sittingbourne
Kent
ME10 5BH

14 January 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 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 Academies Accounts Direction 2019 to 2020 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Williams Giles Professional Services Ltd
Chartered Accountants
Sittingbourne

Date: 14 January 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 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
	Note					
Income from:						
Donations and capital grants:	4					
Transfer of assets on conversion		-	-	-	-	2,285,675
Other donations and capital grants		25,256	204	1,100,589	1,126,049	387,040
Charitable activities		-	8,093,868	-	8,093,868	7,677,179
Other trading activities		123,232	104,857	-	228,089	376,393
Investments	7	1,785	-	-	1,785	1,015
Total income		150,273	8,198,929	1,100,589	9,449,791	10,727,302
Expenditure on:						
Raising funds		90,422	-	-	90,422	163,220
Charitable activities		36,666	8,351,074	576,778	8,964,518	8,656,266
Total expenditure		127,088	8,351,074	576,778	9,054,940	8,819,486
Net income/(expenditure)		23,185	(152,145)	523,811	394,851	1,907,816
Transfers between funds	21	-	(190,890)	190,890	-	-
Net movement in funds before other recognised gains/(losses)		23,185	(343,035)	714,701	394,851	1,907,816
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	30	-	(257,000)	-	(257,000)	(717,000)
Net movement in funds		23,185	(600,035)	714,701	137,851	1,190,816

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 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Note					
Reconciliation of funds:					
Total funds brought forward	383,343	(2,318,752)	19,731,741	17,796,332	16,605,516
Net movement in funds	23,185	(600,035)	714,701	137,851	1,190,816
Total funds carried forward	406,528	(2,918,787)	20,446,442	17,934,183	17,796,332

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

The notes on pages 34 to 63 form part of these financial statements.

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

Balance Sheet
As at 31 August 2020

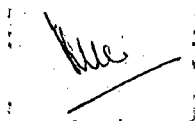
	Note	2020 £	2019 £
Fixed assets			
Tangible assets	17	20,384,796	19,573,908
		<u>20,384,796</u>	<u>19,573,908</u>
Current assets			
Stocks	18	3,295	-
Debtors	19	979,748	255,632
Cash at bank and in hand		2,028,616	1,769,043
		<u>3,011,659</u>	<u>2,024,675</u>
Creditors: amounts falling due within one year	20	(1,472,272)	(511,251)
Net current assets		<u>1,539,387</u>	<u>1,513,424</u>
Total assets less current liabilities		<u>21,924,183</u>	<u>21,087,332</u>
Net assets excluding pension liability		<u>21,924,183</u>	<u>21,087,332</u>
Defined benefit pension scheme liability	30	(3,990,000)	(3,291,000)
Total net assets		<u><u>17,934,183</u></u>	<u><u>17,796,332</u></u>

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

Balance Sheet (continued)
As at 31 August 2020

	Note	2020 £	2019 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	21	20,446,442	19,731,741
Restricted income funds	21	1,071,213	972,248
		<hr/>	<hr/>
Restricted funds excluding pension asset	21	21,517,655	20,703,989
Pension reserve	21	(3,990,000)	(3,291,000)
		<hr/>	<hr/>
Total restricted funds	21	17,527,655	17,412,989
Unrestricted income funds	21	406,528	383,343
		<hr/>	<hr/>
Total funds		17,934,183	17,796,332
		<hr/>	<hr/>

The financial statements on pages 29 to 63 were approved by the Trustees, and authorised for issue on 16 December 2020 and are signed on their behalf, by:



Mr A Wallaker
Chair of the Board of Trustees

The notes on pages 34 to 63 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 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	23	526,553	825,129
Cash flows from investing activities	25	(266,980)	(11,259)
Cash flows from financing activities	24	-	(1,731)
Change in cash and cash equivalents in the year		259,573	812,139
Cash and cash equivalents at the beginning of the year		1,769,043	956,904
Cash and cash equivalents at the end of the year	26, 27	<u>2,028,616</u>	<u>1,769,043</u>

The notes on pages 34 to 63 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 2020

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 2019 to 2020 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 2020

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 2020

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 2020

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. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

2.13 Operating leases

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

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

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
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Notes to the Financial Statements
For the Year Ended 31 August 2020

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 30, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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
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Notes to the Financial Statements
For the Year Ended 31 August 2020

4. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations					
Transfer of assets on Academies transferred into trust	-	-	-	-	2,285,675
Other donations	25,256	204	-	25,460	32,043
	<u>25,256</u>	<u>204</u>	<u>-</u>	<u>25,460</u>	<u>2,317,718</u>
Capital Grants	-	-	1,100,589	1,100,589	354,997
	<u>-</u>	<u>-</u>	<u>1,100,589</u>	<u>1,100,589</u>	<u>354,997</u>
	<u>25,256</u>	<u>204</u>	<u>1,100,589</u>	<u>1,126,049</u>	<u>2,672,715</u>
Total 2019	<u><u>106,108</u></u>	<u><u>(289,422)</u></u>	<u><u>2,856,029</u></u>	<u><u>2,672,715</u></u>	

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2020

5. Funding for the Academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	6,677,337	6,677,337	6,556,782
Other DfE/ESFA grants	490,942	490,942	239,843
Pupil Premium	361,253	361,253	359,844
Universal free school meals	210,635	210,635	249,336
	<hr/> 7,740,167	<hr/> 7,740,167	<hr/> 7,405,805
Other government grants			
SEN funding	186,186	186,186	122,296
Other government grants	152,486	152,486	149,078
	<hr/> 338,672	<hr/> 338,672	<hr/> 271,374
Exceptional Government funding			
Coronavirus Job Retention scheme grant	15,029	15,029	-
	<hr/> 8,093,868	<hr/> 8,093,868	<hr/> 7,677,179
	<hr/> <hr/> 7,677,179	<hr/> <hr/> 7,677,179	<hr/> <hr/>
<i>Total 2019</i>			
	<hr/> <hr/> 7,677,179	<hr/> <hr/> 7,677,179	<hr/> <hr/>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy furloughed some of its breakfast and after school club staff under the government's CJRS. The funding received of £15k relates to staff costs in respect of 15 staff which are included within note 13 below as appropriate.

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2020

6. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Catering income	-	60,008	60,008	88,770
Consultancy income	-	2,505	2,505	5,706
Hire of facilities	17,893	-	17,893	32,476
Insurance reclaims	-	30,432	30,432	23,333
Extended services income	42,470	-	42,470	66,552
School trip income	48,368	11,912	60,280	148,295
Other income	14,501	-	14,501	11,261
	<u>123,232</u>	<u>104,857</u>	<u>228,089</u>	<u>376,393</u>
<i>Total 2019</i>	<u>238,577</u>	<u>137,816</u>	<u>376,393</u>	

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	<u>1,785</u>	<u>1,785</u>	<u>1,015</u>
<i>Total 2019</i>	<u>1,015</u>	<u>1,015</u>	

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2020

8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	<i>Total</i> <i>2019</i> £
Expenditure on raising voluntary income:					
Direct costs	-	-	90,422	90,422	163,220
Educational Operations:					
Direct costs	5,509,795	-	394,230	5,904,025	5,665,273
Allocated support costs	1,439,262	254,086	1,367,145	3,060,493	2,990,993
	<u>6,949,057</u>	<u>254,086</u>	<u>1,851,797</u>	<u>9,054,940</u>	<u>8,819,486</u>
<i>Total 2019</i>	<u>6,635,749</u>	<u>189,382</u>	<u>1,994,355</u>	<u>8,819,486</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	<i>Total</i> <i>funds</i> <i>2019</i> £
Educational Operations	5,904,025	3,060,493	8,964,518	8,656,266
	<u>5,904,025</u>	<u>3,060,493</u>	<u>8,964,518</u>	
<i>Total 2019</i>	<u>5,665,273</u>	<u>2,990,993</u>	<u>8,656,266</u>	

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2020

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	5,509,795	5,509,795	5,259,988
Educational supplies	262,870	262,870	260,343
Staff development	63,038	63,038	48,282
Educational consultancy	68,322	68,322	96,660
	<u>5,904,025</u>	<u>5,904,025</u>	<u>5,665,273</u>
<i>Total 2019</i>	<u><u>5,665,273</u></u>	<u><u>5,665,273</u></u>	

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2020

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2020 £	Total funds 2020 £	Total funds 2019 £
LGPS costs	60,000	60,000	52,000
Staff costs	1,342,744	1,342,744	1,281,428
Depreciation	558,466	558,466	568,823
Technology costs	36,666	36,666	91,395
Recruitment and support costs	30,443	30,443	39,261
Maintenance of premises and equipment	173,760	173,760	114,566
Cleaning	80,326	80,326	74,816
Rent and rates	72,667	72,667	43,921
Energy costs	101,410	101,410	104,439
Insurance	69,703	69,703	57,250
Security and transport	10,747	10,747	9,551
Catering costs	214,797	214,797	292,846
Bank charges	129	129	611
Printing, postage and stationary	7,176	7,176	11,579
Other support costs	181,653	181,653	131,570
Agency costs	96,518	96,518	87,835
Governance costs	23,288	23,288	29,102
	<u>3,060,493</u>	<u>3,060,493</u>	<u>2,990,993</u>
<i>Total 2019</i>	<u>2,990,993</u>	<u>2,990,993</u>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	4,391	4,155
Depreciation of tangible fixed assets	<u>558,466</u>	<u>568,823</u>

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2020

11. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Academy's auditor and its associates for the audit of the Academy's annual accounts	14,500	14,500
Fees payable to the Academy's auditor and its associates in respect of:		
Audit-related assurance services	6,725	6,725
All other non-audit services not included above	-	4,000
	<u>14,500</u>	<u>25,225</u>

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	4,994,698	4,937,486
Social security costs	389,968	396,230
Pension costs	1,467,873	1,207,700
	<u>6,852,539</u>	<u>6,541,416</u>
Agency staff costs	96,518	87,835
Staff restructuring costs	-	6,498
	<u>6,949,057</u>	<u>6,635,749</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	-	6,498
	<u>-</u>	<u>6,498</u>

b. Non-statutory/non-contractual staff severance payments

During the year, severance payments were made to no (2019 - 1) staff members. The severance payment made totalled £Nil (2019 - £6,498).

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2020

12. Staff (continued)

c. Staff numbers

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

	2020	2019
	No.	No.
Teachers	84	80
Administration and support	186	196
Management	27	30
	297	306

d. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	1	1

During the year ended 31 August 2020 the employers pension contributions for the above staff paid into the Teachers Pension Scheme amount to £105,130 (2019 - £83,547).

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £305,628 (2019 £271,281).

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2020

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 4% of each schools GAG allocation and 2.5% of each schools Teachers' Pension Grant allocation.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Culverstone Green Primary	31,259	29,933
Meopham Community Academy	60,327	56,598
Riverview Infant School	51,842	48,513
Riverview Junior School	67,891	65,176
Wrotham Road Primary	62,108	62,052
Total	273,427	262,272

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:

		2020 £	2019 £
Mrs Nicole Caulfield	Remuneration	85,000 - 90,000	85,000 - 90,000
	Pension contributions paid	20,000 - 25,000	10,000 - 15,000
Mrs Ruth Doughty	Remuneration	90,000 - 95,000	95,000 - 100,000
	Pension contributions paid	20,000 - 25,000	10,000 - 15,000
Mrs Andrya Norris (resigned 29 April 2019)	Remuneration		30,000 - 35,000
	Pension contributions paid		5,000 - 10,000

During the year ended 31 August 2020, expenses totalling £NIL were reimbursed or paid directly to Trustees (2019 - £170 to 1 Trustee). The expenses reimbursed were for training, travel and other expenses incurred on behalf of the Trust.

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2020

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

	2020 £	2019 £
Interest income on pension scheme assets	75,000	91,000
Interest on pension scheme liabilities	(135,000)	(143,000)
	<u>(60,000)</u>	<u>(52,000)</u>

17. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	20,079,746	280,783	411,326	53,080	20,824,935
Additions	1,342,974	11,795	14,585	-	1,369,354
At 31 August 2020	<u>21,422,720</u>	<u>292,578</u>	<u>425,911</u>	<u>53,080</u>	<u>22,194,289</u>
Depreciation					
At 1 September 2019	844,954	141,411	241,823	22,839	1,251,027
Charge for the year	404,192	57,924	83,080	13,270	558,466
At 31 August 2020	<u>1,249,146</u>	<u>199,335</u>	<u>324,903</u>	<u>36,109</u>	<u>1,809,493</u>
Net book value					
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>
At 31 August 2019	<u>19,234,792</u>	<u>139,372</u>	<u>169,503</u>	<u>30,241</u>	<u>19,573,908</u>

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2020

18. Stocks

	2020 £	2019 £
Finished goods and goods for resale	3,295	-

19. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	7,003	5,128
VAT recoverable	96,949	51,102
Prepayments and accrued income	875,796	199,402
	<u>979,748</u>	<u>255,632</u>

20. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	231,136	53,031
Other taxation and social security	25,246	25,186
Accruals and deferred income	1,215,890	433,034
	<u>1,472,272</u>	<u>511,251</u>

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

	2020 £	2019 £
Deferred income at 1 September 2019	174,737	116,538
Resources deferred during the year	157,647	174,737
Amounts released from previous periods	(174,737)	(116,538)
	<u>157,647</u>	<u>174,737</u>

Deferred income consists mainly of Universal Infant Free School Meals grant income as well as Rates Relief income received in 2019/20 in respect of 2020/21.

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Notes to the Financial Statements
For the Year Ended 31 August 2020

21. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	383,343	150,273	(127,088)	-	-	406,528
Restricted general funds						
General annual grant (GAG)	972,248	6,677,337	(6,387,482)	(190,890)	-	1,071,213
Other DfE/ESFA grants	-	484,972	(484,972)	-	-	-
Pupil premium	-	361,253	(361,253)	-	-	-
Local authority grant	-	359,671	(359,671)	-	-	-
Other generated income	-	105,061	(105,061)	-	-	-
UIFSM	-	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	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>

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Notes to the Financial Statements
For the Year Ended 31 August 2020

21. Statement of funds (continued)

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 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Culverstone Green Primary	202,803	174,268
Meopham Community Academy	175,631	279,881
Riverview Infant School	283,165	209,854
Riverview Junior School	303,763	290,744
Wrotham Road Primary	417,015	298,973
Central	95,364	101,871
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,477,741	1,355,591
Restricted fixed asset fund	20,446,442	19,731,741
Pension reserve	(3,990,000)	(3,291,000)
	<hr/>	<hr/>
Total	17,934,183	17,796,332
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the Financial Statements
For the Year Ended 31 August 2020

21. Statement of funds (continued)

Total cost analysis by school

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Culverstone Green Primary	606,069	103,162	41,860	188,109	939,200	877,758
Meopham Community Academy	1,130,176	189,227	79,793	309,003	1,708,199	1,615,475
Riverview Infant School	1,045,837	162,058	49,649	235,984	1,493,528	1,435,040
Riverview Junior School	1,355,651	233,702	69,006	233,798	1,892,157	1,833,286
Wrotham Road Primary	1,239,521	207,769	40,686	253,323	1,741,299	1,776,414
Central	132,541	446,826	75	142,649	722,091	712,690
School	5,509,795	1,342,744	281,069	1,362,866	8,496,474	8,250,663

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Notes to the Financial Statements
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21. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
Unrestricted funds	251,213	345,700	(163,220)	(50,350)	-	383,343
Restricted funds						
General annual grant (GAG)	710,186	6,556,782	(6,191,590)	(103,130)	-	972,248
Other DfE/ESFA grants	-	239,844	(239,844)	-	-	-
Pupil premium	-	359,844	(359,844)	-	-	-
Local authority grant	-	271,374	(271,374)	-	-	-
Other generated income	-	137,815	(137,815)	-	-	-
Inherited on academies transferred in	-	205,147	(205,147)	-	-	-
Other restricted funds	-	5,431	(5,431)	-	-	-
UIFSM	-	249,336	(249,336)	-	-	-
Pension reserve	(1,646,000)	(500,000)	(428,000)	-	(717,000)	(3,291,000)
	<u>(935,814)</u>	<u>7,525,573</u>	<u>(8,088,381)</u>	<u>(103,130)</u>	<u>(717,000)</u>	<u>(2,318,752)</u>

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
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21. Statement of funds (continued)

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Restricted fixed asset funds						
Assets held for depreciation	17,272,697	351,921	(568,823)	2,518,113	-	19,573,908
Capital funds	11,343	3,076	938	136,399	-	151,756
CIF bids	-	2,501,032	-	(2,501,032)	-	-
Other restricted funds	6,077	-	-	-	-	6,077
	<u>17,290,117</u>	<u>2,856,029</u>	<u>(567,885)</u>	<u>153,480</u>	<u>-</u>	<u>19,731,741</u>
Total Restricted funds	<u>16,354,303</u>	<u>10,381,602</u>	<u>(8,656,266)</u>	<u>50,350</u>	<u>(717,000)</u>	<u>17,412,989</u>
Total funds	<u>16,605,516</u>	<u>10,727,302</u>	<u>(8,819,486)</u>	<u>-</u>	<u>(717,000)</u>	<u>17,796,332</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
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	<u>406,528</u>	<u>(2,918,787)</u>	<u>20,446,442</u>	<u>17,934,183</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2020

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	19,573,908	19,573,908
Current assets	383,343	1,483,499	157,833	2,024,675
Creditors due within one year	-	(511,251)	-	(511,251)
Provisions for liabilities and charges	-	(3,291,000)	-	(3,291,000)
Total	383,343	(2,318,752)	19,731,741	17,796,332

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

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	394,851	1,907,816
Adjustments for:		
Depreciation	558,466	568,823
Capital grants from DfE and other capital income	(1,100,589)	(354,997)
Interest receivable	(1,785)	(1,015)
Defined benefit pension scheme cost less contributions payable	442,000	428,000
(Increase)/decrease in stocks	(3,295)	-
Increase in debtors	(724,116)	(17,740)
Increase in creditors	961,021	295,274
Fixed assets inherited on conversion	-	(2,501,032)
Net gain on assets and liabilities from local authority on conversion	-	500,000
Net cash provided by operating activities	526,553	825,129

24. Cash flows from financing activities

	2020 £	2019 £
Repayments of borrowing	-	(1,731)
Net cash provided by/(used in) financing activities	-	(1,731)

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Notes to the Financial Statements
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25. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	1,785	1,015
Purchase of tangible fixed assets	(1,369,354)	(367,271)
Capital grants from DfE Group	1,100,589	123,514
Capital funding received from sponsors and others	-	231,483
Net cash used in investing activities	(266,980)	(11,259)

26. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	2,028,616	1,769,043
Total cash and cash equivalents	2,028,616	1,769,043

27. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,769,043	259,573	2,028,616
	1,769,043	259,573	2,028,616

28. 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.

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29. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Repairs, maintenance or enhancements to property	418,934	-

At 31 August 2020, the Academy was committed to heating works, the anticipated costs of the project were £418,934. The costs are due to be covered by CIF funding, a salix loan and school contribution.

30. 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 2016.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. 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.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £744,873 (2019 - £505,874).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £437,000 (2019 - £422,000), of which employer's contributions totalled £341,000 (2019 - £333,000) and employees' contributions totalled £ 96,000 (2019 - £89,000). The agreed contribution rates for future years are 20.0 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.

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Notes to the Financial Statements
For the Year Ended 31 August 2020

30. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.70
Expected return on scheme assets at 31 August	7.00	5.00
Discount rate for scheme liabilities	1.60	1.90
Inflation assumption (CPI)	2.25	2.20
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:

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.8	22.1
Females	23.8	24.0
<i>Retiring in 20 years</i>		
Males	23.2	23.7
Females	25.2	25.8

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	8,073	6,884
Discount rate -0.1%	8,480	7,245
Mortality assumption - 1 year increase	8,573	7,306
Mortality assumption - 1 year decrease	7,985	6,826
CPI rate +0.1%	8,293	7,086
CPI rate -0.1%	8,255	7,038

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

Share of scheme assets

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

	2020 £	2019 £
Equities	2,775,000	2,570,000
Gilts	29,000	27,000
Other bonds	553,000	340,000
Property	471,000	440,000
Cash and other liquid assets	130,000	101,000
Absolute return fund	326,000	293,000
Total market value of assets	4,284,000	3,771,000

The actual return on scheme assets was £294,000 (2019 - £154,000).

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

	2020 £	2019 £
Current service cost	(721,000)	(613,000)
Past service cost	-	(95,000)
Interest income	75,000	91,000
Interest cost	(135,000)	(143,000)
Total amount recognised in the Statement of Financial Activities	(781,000)	(760,000)

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

	2020 £	2019 £
At 1 September	7,062,000	4,058,000
Transferred in on existing academies joining the trust	-	1,317,000
Current service cost	721,000	613,000
Interest cost	135,000	143,000
Employee contributions	96,000	89,000
Actuarial losses	367,000	780,000
Benefits paid	(58,000)	(33,000)
Past service costs	-	95,000
Experience gain on defined benefit obligation	(49,000)	-
At 31 August	8,274,000	7,062,000

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Notes to the Financial Statements
For the Year Ended 31 August 2020

30. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	3,771,000	2,412,000
Transferred in on existing academies joining the trust	-	817,000
Interest income	75,000	91,000
Actuarial gains	61,000	63,000
Employer contributions	341,000	333,000
Employee contributions	96,000	89,000
Benefits paid	(58,000)	(33,000)
Administration expenses	(2,000)	(1,000)
At 31 August	4,284,000	3,771,000

31. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	2,863	2,374
Later than 1 year and not later than 5 years	2,242	696
	5,105	3,070

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

	2020 £	2019 £
Operating lease rentals	4,391	4,155

32. Members' liability

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

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33. 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.