



# THE PATHWAY ACADEMY TRUST

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

Registered Company N° 9782388

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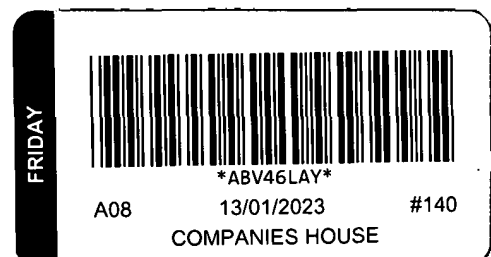
## THE PATHWAY ACADEMY TRUST

(A Company Limited by Guarantee)

Company Registration Number: 09782388 (England & Wales)

### Annual Report and Financial Statements

for the period ended 31 August 2022



**THE PATHWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**THE PATHWAY ACADEMY TRUST**  
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**Reference and Administrative Details**

<b>Members</b>	Mrs Elizabeth Wade (appointed 1 October 2021) Mr Philip Batson (resigned 31 December 2021) Mrs Jane Partridge-Dyer Mrs Susan Lythgoe
<b>Trustees</b>	Mr Jake Meekums, Chair Mr Richard Acton (appointed 1 February 2022) <sup>2</sup> Mrs Dawn Bramer Mrs Nicole Caulfield Mrs Anne Chapman (resigned 14 September 2021) Mrs Ruth Doughty Mrs Jennifer Margetson <sup>2</sup> Mrs Suzanne Mayhew Mr Jasdip Nijjar <sup>1,2</sup> Ms Elizabeth Wade (resigned 13 September 2021) Mrs Sora Yago-Boli (resigned 16 May 2022)  <sup>1</sup> Director responsible for Finance & Audit <sup>2</sup> Member of the Finance & Audit Committee
<b>Company registered number</b>	09782388
<b>Company name</b>	The Pathway Academy Trust
<b>Principal and registered office</b>	Culverstone Green Primary Wrotham Road Gravesend Kent DA13 0RF
<b>Company secretary</b>	Mr Ron Dale
<b>Chief executive officer</b>	Ruth Doughty
<b>Senior management team</b>	Mrs Ruth Doughty, Chief Executive Officer & Accounting Officer Mrs Nicole Caulfield, Deputy CEO Mrs Andrya Norris, Chief Financial Officer & Trust Business Manager
<b>Independent auditors</b>	Xeinadin Audit Limited Chartered Accountants Statutory Auditor 12 Conqueror Court Sittingbourne Kent ME10 5BH
<b>Bankers</b>	Lloyds Bank PLC 78 New Road Gravesend DA11 0AR

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**Reference and Administrative Details (continued)**  
**For the Year Ended 31 August 2022**

**Solicitors**

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

**THE PATHWAY ACADEMY TRUST**  
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**Trustees' Report**  
**For the Year Ended 31 August 2022**

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

The academy trust operates five primary schools (one of which includes nursery provision) in Gravesham, South East England. Its academies have a combined pupil capacity of 1930 and had a roll of 1868 in the school census on October 2021.

**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 2022**

**Structure, Governance and Management (continued)**

**d. Method of Recruitment and Appointment or Election of Trustees**

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

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

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

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

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 schools and the chance to meet with staff and students.

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

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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

**Structure, Governance and Management (continued)**

**f. Organisational Structure**

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

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

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

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

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

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

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

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

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

**h. Related parties and other connected charities and organisations**

One Trustee is also a Trustee of Culverstone Green Nursery.  
One Member was also a Director of the Gravesham Excellence Cluster.

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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

**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 27 days, which is within the standard payment period of 30 days. This is longer than the previous year (22 days) due to staff shortages and issues with the Trust's finance software.

**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.

**b. Objectives, strategies and activities**

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



**THE PATHWAY ACADEMY TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

**Objectives and Activities (continued)**

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

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

The strategic aims identified for development are:

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

**c. Public Benefit**

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

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

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

**THE PATHWAY ACADEMY TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

**Strategic Report**

**Achievements and Performance**

We have received three Ofsted reports in the last 12 months which have all been extremely positive. Two schools received Section 5 graded inspections with a good outcome with some areas classed as outstanding and one school received an ungraded Section 8 inspection and continues to be good. The remaining two schools last received an Ofsted inspection in 2018 but we expect them to continue to be good at next inspection. Riverview Junior School was one of the schools receiving a Section 5 inspection; previously a 'double RI' school which moved to good with three areas classed as outstanding. This is a momentous achievement for the Trust.

<b>Overall effectiveness</b>	<b>Good</b>
The quality of education	<b>Good</b>
Behaviour and attitudes	<b>Outstanding</b>
Personal development	<b>Outstanding</b>
Leadership and management	<b>Outstanding</b>

Data for 2022 was the first set since 2019:

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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

**Strategic Report (continued)**

**Achievements and Performance (continued)**

KS1		Reading	Writing	Maths
		2022	2022	2022
CGPS	exp+	76	76	83
	GD	31	24	28
MCA	exp+	78	67	72
	GD	12	9	10
RVI	exp+	75	71	78
	GD	24	10	24
RVJ	exp+			
	GD			
WR	exp+	66	58	64
	GD	3	5	5
National	exp+	67	58	68
	GD	18	8	15

KS2		Reading	Writing	Maths	RWM
		2022	2022	2022	2022
CGPS	exp+	83	85	70	74
	GD	13	30	20	11
MCA	exp+	83	89	81	70
	GD	33	14	32	11
RVI	exp+				
	GD				
RVJ	exp+	80	79	62	61
	GD	27	14	17	4
WR	exp+	76	80	68	61
	GD	24	15	19	7
National	exp+	74	69	72	59
	GD	28	13	28	7

Each school has a quality assured, effective School Improvement Planning cycle with a comprehensive plan that is regularly monitored by the Executive Leadership and Local Governing Body. These plans feed into the Trust plan and objectives, contain milestones and termly updates against these.

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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

**Strategic Report (continued)**

**Achievements and Performance (continued)**

**a. Key performance indicators**

**Key Performance Indicators: 2021-22 Final**

		CGPS	MCA	RVI	RVJ	WRP	Central	Benchmarking	
								Min	Max
Staff Income and Expenditure Metrics	Total Staff Salary Costs	£796,011	£1,456,123	£1,278,591	£1,750,833	£1,709,336	£353,919		
	Total Staff Salary Costs as % of Total Revenue Expenditure	75.66%	70.16%	73.27%	67.94%	76.06%	78.62%	75%	78%
	Total Staff Salary Costs as % of Total Revenue Income	77.20%	68.72%	70.56%	75.53%	70.23%	87.31%	72%	75%
	Teaching Staff Salary Costs as % of Total Revenue Expenditure (%)	49.45%	45.40%	43.27%	40.78%	43.75%	50.24%	44%	48%
	Teaching Staff Salary Costs as Proportion of Total Revenue Income (%)	50.49%	44.47%	41.85%	45.93%	49.86%	55.73%	44%	47%
	Education Support Staff Salary Costs as % of Total Revenue Expenditure	15.17%	16.56%	19.71%	19.60%	15.67%	n/a	14%	17%
	Education Support Staff Salary Costs as % of Total Revenue Income	15.43%	16.03%	18.96%	21.73%	15.70%	n/a	14%	16%
	Other Support Staff Salary Costs as % of Total Revenue Expenditure	11.00%	8.40%	10.29%	7.56%	10.64%	28.38%	5%	7%
	Other Support Staff Salary Costs as % of Total Revenue Income	11.22%	8.22%	9.50%	8.41%	10.65%	31.52%	6%	8%
	Average Teacher Salary Cost	£52,066	£52,611	£55,115	£51,693	£51,816	£110,788	£36,000	£45,000
Other Financial Metrics	Senior Leadership Team Salary Costs as % of Total Revenue Income	23.44%	19.16%	27.25%	18.20%	20.07%	55.79%	7%	12%
	Average Additional Income per Pupil (£)	£65	£128	£77	£61	£90	n/a	£300	for MATs
	Average Non-Pay Expenditure Per Pupil (£)	£1,268	£1,431	£1,325	£1,736	£1,316	n/a		
	Total Revenue Expenditure as % of Total Revenue Income	103.04%	67.94%	96.28%	111.16%	100.22%	111.05%	99%	101%
Additional Metrics	Current Year Deficit / Surplus as % of Total Revenue Income	-2.04%	2.05%	3.72%	-11.16%	-0.22%	-11.05%	-1%	4%
	Average Class Size	28.86	30.93	29.33	29.75	29.21	n/a		
Pupil To Teacher Ratio: PTR		20.20	24.18	23.63	23.43	18.55	n/a	23	for primaries

Key  
 Within Benchmarking Thresholds  
 Outside Benchmarking Thresholds

**b. Going concern**

After making appropriate enquiries the Board of Trustees decided during the course of the 2021/2022 academic year that in order to secure the future of the schools within the Trust that they would merge with the Galaxy Trust to form The Golden Thread Alliance and that The Pathway Academy Trust would then close. The transfer will include all educational operations including staff members via TUPE, fixed assets, local government pension scheme liabilities and closing net book values respectively. A final closing date is to be confirmed, from which the Trustees will focus on the activities required to secure the closure of the Trust by settling all remaining current assets and liabilities in a solvent manner. The financial statements have therefore been prepared on a cessation basis.

**THE PATHWAY ACADEMY TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

**Strategic Report (continued)**

**Achievements and Performance (continued)**

**c. Promoting the success of the company**

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

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

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

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

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

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

The Chief Operations and Financial Officer 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 2022**

**Strategic Report (continued)**

**Financial review**

The main sources of income for the schools within The Pathway Academy Trust are obtained from the Education and Skills Funding Agency (ESFA) and the Local Authority in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The introduction of the National Funding Formula has benefited the Trust's constituent schools leading to higher reserves. The Accounting Officer and Chief Financial Officer are working with schools to align their School Improvement Plans with the school's three year budget plans to establish how these additional reserves can be used most effectively for the benefit of the current cohort of children.

During the period ended 31 August 2022, total expenditure of £10,908,271 (2021: £9,919,899) 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 £9,868,812 (2021: £416,521).

At 31 August 2022 the net book value of fixed assets was £21,124,297 (2021: £20,980,010). 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 £829,000 (2021: £5,141,000) as at 31 August 2022. This is a reduction of £4,312,000 on the previous year. Riverview Infant School was successful in securing £375,455 Conditional Improvement Funding (CIF) to address roofing works.

Riverview Junior School have invested approx. £163,000 into a capital project to build a dedicated SEN hub which will provide an environment away from the main stream classroom to provide support and interventions for children with Special Educational Needs and Disabilities. In addition, the use of a sensory room will allow for de-escalation of the ever-growing number of children that are entering school with extremely challenging behavior.

Despite the current economic crisis, the schools have maintained healthy surplus balances through prudent spending and effective budget monitoring. However, these reserves are expected to reduce considerably over the next three years due to rising energy costs and recruitment and retention challenges across all roles. Self-generated income is also significantly lower than the previous year due to the financial hardship currently faced by the schools' communities.

**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 between one-three month's expenditure, which is approximately £909,052 – 2,727,157 (2021: £826,658 – £2,479,974)

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 £1,572,096 (2021: £1,776,412) (total funds less the amount held in fixed assets and restricted funds).

**THE PATHWAY ACADEMY TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

**b. Investment Policy**

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

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

**c. Principal Risks and Uncertainties**

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

Significant consideration has been given to the risk of business continuity following the events of the last few years, in particular, the pandemic causing a national lockdown and lost learning, the economic crisis and the increasing threat of cyber attacks. The Trust continues to develop its IT provision to enable remote working and greater collaboration, whilst conforming to government guidelines regarding the risk of cyber attacks and developing a cyber response plan. To mitigate against the rising energy costs, schools are investigating how they can become more energy efficient and self-sustaining.

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

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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

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



**THE PATHWAY ACADEMY TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

**Fundraising**

Fundraising is seen by TPAT as a legitimate means of improving the Trust and its schools' ability to purchase goods, equipment, services or capital projects, which could not otherwise be funded within capital or revenue budgets. For parents, carers and the broader public, donating cash or equipment, or actively raising funds, is seen as a positive way of supporting the Trust and its schools. The TPAT Directors are committed to ensuring that fundraising activities are carried out in an appropriate manner and in accordance with the guidelines provided in the Trust's Fundraising Policy.

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

No fundraising complaints have been received.

**THE PATHWAY ACADEMY TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

**Streamlined Energy and Carbon Reporting**

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

	<b>2022</b>	<b>2021</b>
Energy consumption used to calculate emissions (kWh)	<b>994,844</b>	<b>989,891</b>
<b>Energy consumption breakdown (kWh):</b>		
Gas	<b>546,755</b>	<b>529,359</b>
Electricity	<b>441,541</b>	<b>453,683</b>
Transport fuel	<b>5,212</b>	<b>7,556</b>
<b>Scope 1 emissions (in tonnes of CO2 equivalent):</b>		
Gas consumption	<b>99.81</b>	<b>96.33</b>
Owned transport	<b>1.31</b>	<b>1.72</b>
<b>Total scope 1</b>	<b>101.12</b>	<b>98.05</b>
<b>Scope 2 emissions (in tonnes of CO2 equivalent):</b>		
Purchased electricity	<b>85.39</b>	<b>96.33</b>
<b>Scope 3 emissions (in tonnes of CO2 equivalent):</b>		
Business travel in employee-owned or rental vehicles	<b>0.31</b>	<b>0.17</b>
<b>Total gross emissions (in tonnes of CO2 equivalent):</b>	<b>186.82</b>	<b>194.55</b>
<b>Intensity ratio:</b>		
Tonnes of CO2 equivalent per pupil	<b>0.10</b>	<b>0.10</b>

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

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

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

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

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

**Plans for Future Periods**


The Trust is merging with the Galaxy Trust to form a new Trust: The Golden Thread Alliance. The aims and objectives for this new Trust will be set by the Executive Leadership. The Educational Vision below has been shared with stakeholders:

THE PATHWAY ACADEMY TRUST  
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Trustees' Report (continued)  
For the Year Ended 31 August 2022








Plans for Future Periods (continued)


# THE EDUCATIONAL VISION OF THE GALAXY & PATHWAY TRUSTS




All students, regardless of background or need, will achieve highly, and will have high levels of well-being. They will be well prepared for their next steps, and go on to lead happy, purposeful, rewarding lives, making a positive contribution to the world as global citizens. Key to this vision is the curriculum, which ultimately determines what our students will learn and experience. Each school determines its own curriculum, according to the needs of their individual learning community, and whilst their curriculum and their statements of intent are unique, they are clearly aligned with our overarching key principles.



-  School outcomes will be at a minimum in line with standards of statistically similar schools.
-  Our Trusts collective outcomes will be above the national average for each subject at each key stage.
-  Every child will listen to, share and read the Galaxy and Pathway 100 - 100 books that every child should read.
-  Educational outcomes demonstrate no gap between different groups of pupils, including the pupil premium group.
-  Children with SEND will receive a comprehensive and robust programme of support to ensure each individual achieves the best outcomes possible.
-  Children who are the highest achievers will be challenged, stretched and given time to develop the deepest understanding of their area of expertise.
-  Opportunities for developing wider skills, knowledge and interests that are not part of the formal curriculum will be encouraged for all pupils.



The Galaxy Trust  
Respect Responsibility Equality



**THE PATHWAY ACADEMY TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

**Plans for Future Periods (continued)**

Current reviews of strengths and the best practice from both Trusts are being undertaken to pave the future for The Golden Thread Alliance. Within education, the following key areas will be a Trust focus:

**EYFS**

The EYFS hub has been successfully working collaboratively for a year, which offers a fantastic opportunity for ongoing collaboration. The vision is to continue the good work already established and develop the hub further to meet the needs of the EYFS leads, their schools and the children.

**English**

The English Lead Practitioner will be supported by the Trust AHT for English in the development of the network and promotion of Reading and Writing Strategies across the organisation.

**STEM**

The STEM Lead Practitioner will coordinate the development of the network, promotion of the website and CEO's Education Strategy and initiate projects.

**P.E**

The P.E Lead Practitioner will be supported by the Riverview Executive Head Teacher in coordinating the development of the network, coordination of key events and promotion of the CEO's Sports and Fitness Strategy.

**SEND**

The Inclusion hub has been successfully working collaboratively for several years in The Galaxy Trust and has recently expanded to include The Pathway Academy Trust. This offers a fantastic opportunity for ongoing collaboration, action research projects and resource development.

**Mental Health and Well-Being**

The vision for this role is to enhance and expand upon the work both Trusts have put in place to develop the Mental Health and Wellbeing strategy for the Golden Thread Alliance. The successful candidate will continue the good work already established and embed the strategy further to meet the needs of the staff and the pupils across our organisation.

**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.

**THE PATHWAY ACADEMY TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

**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, Xeinadin Audit Limited, 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 14 December 2022 and signed on its behalf by:



**Mr Jake Meekums**  
Chair of the Board of Directors

**THE PATHWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Governance Statement**

**Scope of responsibility**

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

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

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

**THE PATHWAY ACADEMY TRUST**  
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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 Directors has formally met 7 times during the year. In addition to the seven business meetings there were two additional subject-specific meetings.

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

Trustee	Meetings attended	Out of a possible
Mr Jake Meekums, Chair	7	9
Mrs Ruth Doughty	9	9
Mrs Nicole Caulified	9	9
Mrs Dawn Bramer	9	9
Mrs Jennifer Margetson	9	9
Ms Elizabeth Wade	0	0
Mrs Suzanne Mayhew	8	9
Mrs Sora Yago-Boli	3	6
Mrs Anne Chapman	0	0
Mr Jasdip Nijjar	8	9
Mr Richard Acton	5	6

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 both schools. The Board has established a Finance & Audit Committee and Standards Committee

**Finance & 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. The FAC met four times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Jenny Margetson	4	4
Suzanne Mayhew	2	2
Sory Yago-Boli	2	4
Jasdip Nijjar	4	4
Richard Acton	1	2

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

**Conflicts of Interest**

The Trust has no subsidiaries, joint ventures or associates.

**THE PATHWAY ACADEMY TRUST**  
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**Governance Statement (continued)**

**Governance (continued)**

Directors have met their legal duty to act only in the best interests of the charity and take appropriate steps to identify possible conflicts of interest at an early stage and take appropriate action to avoid, eliminate or manage any potential conflicts in order for them to properly administer the charity. Directors' personal and professional connections bring benefits to the work of the Trust and they often form part of the reason why the individual has been asked to join the Board. The existence of a conflict of interest does not reflect on the integrity of the affected Director, so long as it is properly addressed.

Where there is a conflict of interest, Directors ensure the written record of the decision evidences the following:

- the nature of the conflict
- which Director or Directors were affected
- whether any conflicts of interest were declared in advance
- an outline of the discussion
- whether anyone withdrew from the discussion
- how the Directors took the decision in the best interests of the Trust

Members, Directors and Governors make declarations annually and also formally at every Board or governing body meeting to ensure the Trust's register of interests is kept up to date at all times and used in the day-to-day management and governance of the Trust. The Trust meets the requirement to publish the registers on the websites and the registers capture the relevant business and pecuniary interests of Members, Directors, Local Governors and the Accounting Officer, including:

- directorships, partnerships and employments with businesses;
- trusteeships and governorships at other educational institutions and charities;
- material interests from close family relationships between the Trust's Members, Directors or Governors and also the material interests of those individuals and employees.

**Governance reviews**

There were several changes to the membership of the Trust Board during the year. Mrs Anne Chapman and Ms Elizabeth Wade resigned prior to the start of the 2021/2022 academic year and Mrs Sora Yago-Boli resigned on 16th May 2022. Mr Richard Acton was appointed on 1st February 2022 on the basis of his financial skills and senior management experience.

At the Board meeting held on 21st June 2022 the Directors agreed unanimously to the proposed merger with The Galaxy Trust. The merger was subsequently approved in July 2022 by the Regional Schools Commissioner and the new Trust (The Golden Thread Alliance) will come into effect from 1st January 2023.

As a result of the agreed merger, the Board undertook a review to identify which Members and Directors would join the new Trust. The result of the review, based on the skills and experience as well as the wishes of the individuals, was as follows:

**Members**

- Ms Wade and Mrs Partridge-Dyer to continue as Members of the new Trust until it was securely established and new Members could be appointed
- Mrs Styles to resign on 31st December 2022
- Mrs Mayhew to resign as a Director and join The Golden Thread Alliance as a Member

**Directors**

- Mrs Doughty and Mrs Caulfield to resign as Directors on 31st December 2022
- Mrs Mayhew to resign as a Director and join The Golden Thread Alliance as a Member
- The remaining Directors to be appointed to the Board of The Golden Thread Alliance



**THE PATHWAY ACADEMY TRUST**  
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**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. The CEO attended the meetings in her role to ensure the performance of the schools.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Jake Meekums	2	2
Dawn Bramer	2	2
Jenny Margetson	2	2

**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.

**Culverstone Green Primary School LGB**

The LGB met virtually or in person dependent on the local situation regarding Covid-19 and in accordance with the guidance issued by the Department for Education. The LGB met formally four times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Gail Cox (Chair) (resigned 26/07/2022)	4	4
Helena Gula (Vice Chair)	4	4
Adrian Watson (Head Teacher)	4	4
Tricia Warner (resigned 06/07/2022)	3	4
Aimee Plourde Stabler	4	4
Fiona Ashford (resigned 17/12/2021)	1	1
Steve Hayden	3	4
Debbie Maxted (appointed 01/12/2021)	3	3
Robert Hill (appointed 01/12/2021)	1	3
Kirsty Hipwood (appointed 01/12/2021)	3	3
Michael Burbeck (appointed 10/03/2022)	2	2

**THE PATHWAY ACADEMY TRUST**  
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**Governance Statement (continued)**

**Governance (continued)**

**Riverview Infant School LGB**

The LGB met virtually or in person dependent on the local situation regarding Covid-19 and in accordance with the guidance issued by the Department for Education. The LGB met formally four times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Robin Friday (Chair) (resigned 26/07/2022)	3	4
Hits Patel (Vice Chair)	4	4
Nicole Caulfield (Headteacher) (resigned 26/07/2022)	4	4
Sue Garrard (resigned 01/04/2022)	2	2
Jacqui Hutchison (resigned 16/06/2022)	2	3
Peter Harris (resigned 05/05/2022)	0	3
Hayley Chishold (appointed 28/04/2022)	0	1
Rifet Purveen-Karim	3	4
Lisa Dobson	4	4
Solene Esteve (resigned 07/06/2022)	1	3
Richard Ward (appointed 09/03/2022)	2	2

Following the resignation of Mrs Caulfield, Mrs Kerrie Ward was appointed as Head of School with effect from 1st September 2022. Two additional governors, Mr Darren Hobbs and Mr Matt Deleay, were appointed with effect from 1st September 2022.

**Riverview Junior School LGB**

The LGB met virtually or in person dependent on the local situation regarding Covid-19 and in accordance with the guidance issued by the Department for Education. The LGB met formally four times during the year.

Attendance during the year at meetings was as follows:

	Meetings attended	Out of a possible
Roy Carlo (Chair)	4	4
James Kendall (Headteacher) (resigned 26/07/2022)	4	4
Kerrie Ward (resigned 26/07/2022)	3	4
Mick Butteriss	4	4
Martin Hill	3	4
Caroline Chisholm (Vice Chair)	3	4
Craig Fenton	3	4
Poorvi Heerfall	3	4
Alessandra Walker May (appointed 28/04/2022)	1	1

Following the resignation of Mr Kendall, Mr Aaron Jones was appointed as Head of School with effect from 1st September 2022.

**THE PATHWAY ACADEMY TRUST**  
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**Governance Statement (continued)**

**Governance (continued)**

**Wrotham Road Primary School LGB**

The LGB met virtually or in person dependent on the local situation regarding Covid-19 and in accordance with the guidance issued by the Department for Education. The LGB met formally four times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Lucy Homby (Chair)	3	4
Mark Whitehouse (Vice Chair)	3	4
Sarah Jack (Headteacher)	4	4
Jeremy Bownas	4	4
John Death (resigned 04/08/2022)	4	4
Gurpreet Saib (resigned 26/07/2022)	0	4
Margaret Tillett	4	4
John Webster	2	4

Mrs Hayley walker-Climpson was appointed as a governor with effect from 1st September 2022.

**Meopham Community Academy LGB**

The LGB met virtually or in person dependent on the local situation regarding Covid-19 and in accordance with the guidance issued by the Department for Education. The LGB met formally four times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Helena Gula (Chair)	4	4
Ben Roberts (Vice Chair)	2	4
Michele Sowden Mehta (Headteacher)	4	4
Paul Hale (end of term 31/08/2022)	4	4
Clair Barden	4	4
Katherine Shamsaddini	4	4
Yvonne Martin (resigned 28/04/2022)	3	3

Note: In response to the high turnover of governors during the latter part of the year a recruitment programme for governors is planned for the start of the 2022/2023 academic year, in particular for Wrotham Road Primary School and Meopham Community Academy.

**THE PATHWAY ACADEMY TRUST**  
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**Governance Statement (continued)**

**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:

- developing centralised roles to ensure schools are benchmarked
- using the IT provider to seek value for money on IT provision and purchases
- carrying out Accounting Officer visits at each school to discuss financial priorities on a school by school and Trust basis
- securing contracts and purchases across all schools for training providers and purchases
- seeking a suitable partner for the merger with a larger centralised Trust team to carry out procurement on a larger scale

**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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

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

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

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

**THE PATHWAY ACADEMY TRUST**  
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**Governance Statement (continued)**

**The Risk and Control Framework (continued)**

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 credit card management
- testing of income procedures
- testing of contract payroll and HR procurement

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

The internal auditors delivered their schedule of work as planned. Key strengths were identified across the Trust in relation to income and banking which received a High rating. All other areas were rated adequate with good prospects for improvement. One high area of concern involved the misplacement of a personnel file, for which advice was sought from the Trust's DPO service. The DPO confirmed that it was not a reportable breach and actions have been introduced to reduce the risk of this being repeated.

**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 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 work of the external ;

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 14 December 2022 and signed on their behalf by:



**Mr J Meekums**  
Chair of the Board of Directors



**Mrs R Doughty**  
Accounting Officer

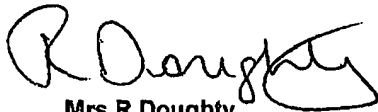
**THE PATHWAY ACADEMY TRUST**  
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**Statement on Regularity, Propriety and Compliance**

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

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

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



**Mrs R Doughty**  
Accounting Officer

Date: 14 December 2022

**THE PATHWAY ACADEMY TRUST**  
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**Statement of Trustees' responsibilities**  
**For the Year Ended 31 August 2022**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make 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 and signed on its behalf by:



**Mr Jake Meekums**  
Chair of the Board of Directors  
Date: 14 December 2022

**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 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

The financial statements have been prepared on a basis other than going concern.

We draw attention to note 2.2 in the financial statements, which explains that the trustees have concluded that the going concern basis is not appropriate because the trust's activities, assets and liabilities will, within the next 12 months, be transferred to another existing multi-academy trust and the trust will then be dissolved in due course. Since adequate disclosures have been included by the trustees our opinion is not modified in respect of this matter.

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



**THE PATHWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Other Information**

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

**Responsibilities of trustees**

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

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

**THE PATHWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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

**Xeinadin Audit Limited**

Chartered Accountants

Statutory Auditor

12 Conqueror Court

Sittingbourne

Kent

ME10 5BH

Date: 15th December 2022

**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 1 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Pathway Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Xeinadin Audit Limited**  
Reporting Accountant  
Chartered Accountants  
Sittingbourne

Date: 15th December 2022

**THE PATHWAY ACADEMY TRUST**  
(A Company Limited by Guarantee)

**Statement of financial activities (Incorporating income and expenditure account)**  
**For the Year Ended 31 August 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>						
Donations and capital grants	4	15,870	1,138	155,263	172,271	1,084,376
Other trading activities		281,536	45,049	-	326,585	216,908
Investments	7	240	-	-	240	226
Charitable activities		-	9,369,356	-	9,369,356	8,837,101
<b>Total income</b>		<b>297,646</b>	<b>9,415,543</b>	<b>155,263</b>	<b>9,868,452</b>	<b>10,138,611</b>
<b>Expenditure on:</b>						
Raising funds		160,875	-	-	160,875	66,034
Charitable activities		23,423	10,152,469	571,504	10,747,396	9,853,865
<b>Total expenditure</b>		<b>184,298</b>	<b>10,152,469</b>	<b>571,504</b>	<b>10,908,271</b>	<b>9,919,899</b>
<b>Net Income/(expenditure)</b>		<b>113,348</b>	<b>(736,926)</b>	<b>(416,241)</b>	<b>(1,039,819)</b>	<b>218,712</b>
Transfers between funds	21	-	(459,735)	459,735	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>113,348</b>	<b>(1,196,661)</b>	<b>43,494</b>	<b>(1,039,819)</b>	<b>218,712</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	30	-	5,191,000	-	5,191,000	(515,000)
<b>Net movement in funds</b>		<b>113,348</b>	<b>3,994,339</b>	<b>43,494</b>	<b>4,151,181</b>	<b>(296,288)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		424,379	(3,788,967)	21,002,483	17,637,895	17,934,183
Net movement in funds		113,348	3,994,339	43,494	4,151,181	(296,288)
<b>Total funds carried forward</b>		<b>537,727</b>	<b>205,372</b>	<b>21,045,977</b>	<b>21,789,076</b>	<b>17,637,895</b>

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

The notes on pages 39 to 69 form part of these financial statements.

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

**Balance Sheet**  
**As at 31 August 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	17	21,124,297	20,980,010
		<u>21,124,297</u>	<u>20,980,010</u>
<b>Current assets</b>			
Debtors	18	393,634	649,650
Cash at bank and in hand		1,753,412	2,116,903
		<u>2,147,046</u>	<u>2,766,553</u>
Creditors: amounts falling due within one year	19	(408,741)	(807,425)
<b>Net current assets</b>		<u>1,738,305</u>	<u>1,959,128</u>
<b>Total assets less current liabilities</b>		<u>22,862,602</u>	<u>22,939,138</u>
Creditors: amounts falling due after more than one year	20	(244,526)	(160,243)
<b>Net assets excluding pension liability</b>		<u>22,618,076</u>	<u>22,778,895</u>
Defined benefit pension scheme liability	30	(829,000)	(5,141,000)
<b>Total net assets</b>		<u><u>21,789,076</u></u>	<u><u>17,637,895</u></u>

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

**Balance Sheet (continued)**  
**As at 31 August 2022**

	Note	2022 £	2021 £
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	21	21,045,977	21,002,483
Restricted income funds	21	1,034,372	1,352,033
		<hr/>	<hr/>
Restricted funds excluding pension asset	21	22,080,349	22,354,516
Pension reserve	21	(829,000)	(5,141,000)
		<hr/>	<hr/>
<b>Total restricted funds</b>	21	<b>21,251,349</b>	<b>17,213,516</b>
<b>Unrestricted income funds</b>	21	<b>537,727</b>	<b>424,379</b>
		<hr/>	<hr/>
<b>Total funds</b>		<b>21,789,076</b>	<b>17,637,895</b>
		<hr/>	<hr/>

The financial statements on pages 35 to 69 were approved by the Trustees, and authorised for issue on 14 December 2022 and are signed on their behalf, by:



**Mr Jake Meekums**  
Chair of the Board of Directors

The notes on pages 39 to 69 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 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	91,536	20,053
<b>Cash flows from Investing activities</b>	25	<b>(549,779)</b>	<b>(109,954)</b>
<b>Cash flows from financing activities</b>	24	<b>94,752</b>	<b>178,188</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(363,491)</b>	<b>88,287</b>
Cash and cash equivalents at the beginning of the year		<b>2,116,903</b>	<b>2,028,616</b>
<b>Cash and cash equivalents at the end of the year</b>	26, 27	<b><u>1,753,412</u></b>	<b><u>2,116,903</u></b>

The notes on pages 39 to 69 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 2022**

**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 2021 to 2022 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.

After making appropriate enquiries the Board of Trustees decided during the course of the 2021/2022 academic year that in order to secure the future of the schools within the Trust that they would merge with the Galaxy Trust to form The Golden Thread Alliance and that The Pathway Academy Trust would then close. The transfer will include all educational operations including staff members via TUPE, fixed assets, local government pension scheme liabilities and closing net book values respectively. A final closing date is to be confirmed, from which the Trustees will focus on the activities required to secure the closure of the Trust by settling all remaining current assets and liabilities in a solvent manner. The financial statements have therefore been prepared on a cessation basis.

**THE PATHWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

**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 2022**

**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 Debtors**

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

**2.9 Cash at bank and in hand**

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

**THE PATHWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

**2. Accounting policies (continued)**

**2.10 Liabilities**

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

**2.11 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 18. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 19 and 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.

**2.12 Operating leases**

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

**THE PATHWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

**2. Accounting policies (continued)**

**2.13 Pensions**

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

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

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

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

**2.14 Fund accounting**

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

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

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

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

**THE PATHWAY ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

**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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Restricted fixed asset funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Donations	15,870	1,138	-	17,008	22,011
Capital Grants	-	-	155,263	155,263	1,062,365
	<u>15,870</u>	<u>1,138</u>	<u>155,263</u>	<u>172,271</u>	<u>1,084,376</u>
<i>Total 2021</i>	<u>21,781</u>	<u>230</u>	<u>1,062,365</u>	<u>1,084,376</u>	

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**5. Funding for the Academy's charitable activities**

	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
<b>Educational Operations</b>			
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	7,851,915	7,851,915	7,148,256
Other DfE/ESFA grants			
Pupil Premium	460,057	460,057	397,880
Teachers Pension Grant	4,307	4,307	252,347
Teachers Pay Grant	1,524	1,524	89,307
UIFSM	215,171	215,171	206,964
PE & Sports Premium	96,130	96,130	96,150
Rates Reclaim	28,331	28,331	33,861
Supplementary Grant	96,067	96,067	-
Others	17,934	17,934	38,920
	<u>8,771,436</u>	<u>8,771,436</u>	<u>8,263,685</u>
<b>Other Government grants</b>			
Special educational projects	289,170	289,170	257,967
Early Years	105,023	105,023	95,365
Others	112,419	112,419	37,975
	<u>506,612</u>	<u>506,612</u>	<u>391,307</u>
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Catch-up/Recovery Premium	47,162	47,162	149,760
Other DfE/ESFA COVID-19 funding	44,146	44,146	14,805
	<u>91,308</u>	<u>91,308</u>	<u>164,565</u>
<b>COVID-19 additional funding (non-DfE/ESFA)</b>			
Coronavirus Job Retention Scheme grant	-	-	17,544
	<u>-</u>	<u>-</u>	<u>17,544</u>
	<u>9,369,356</u>	<u>9,369,356</u>	<u>8,837,101</u>
<b>Total 2021</b>	<u>8,837,101</u>	<u>8,837,101</u>	

In the prior year, the academy furloughed some of its catering and lettings staff under the government's CJRS. The funding received in the prior year amounted to £17,544, this relates to staff costs in respect of 15 staff which are included within the staff costs note below as appropriate. There was no furlough income received in year. The academy received £47k (2021: £150k) of funding for catch-up/recovery premium and costs incurred in respect of this funding totalled £47k (2021: £150k).



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**6. Income from other trading activities**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Catering income	-	5,110	5,110	58,796
Consultancy income	-	3,614	3,614	5,238
Hire of facilities	22,596	-	22,596	13,563
Insurance reclaims	-	20,036	20,036	44,144
Extended services income	125,049	-	125,049	56,693
School trip income	124,449	16,289	140,738	32,253
Other income	9,442	-	9,442	6,221
	<u>281,536</u>	<u>45,049</u>	<u>326,585</u>	<u>216,908</u>
<i>Total 2021</i>	<u>107,834</u>	<u>109,074</u>	<u>216,908</u>	

**7. Investment income**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	240	240	226
	<u>240</u>	<u>240</u>	<u>226</u>
<i>Total 2021</i>	<u>226</u>	<u>226</u>	

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**8. Expenditure**

	<b>Staff Costs</b> <b>2022</b> £	<b>Premises</b> <b>2022</b> £	<b>Other</b> <b>2022</b> £	<b>Total</b> <b>2022</b> £	<b>Total</b> <b>2021</b> £
Expenditure on raising voluntary income:					
Direct costs	-	-	160,875	<b>160,875</b>	66,034
Educational Operations:					
Direct costs	6,173,633	-	595,894	<b>6,769,527</b>	6,501,365
Allocated support costs	2,143,008	333,437	1,501,424	<b>3,977,869</b>	3,352,500
	<u>8,316,641</u>	<u>333,437</u>	<u>2,258,193</u>	<u><b>10,908,271</b></u>	<u>9,919,899</u>
<i>Total 2021</i>	<u>7,731,172</u>	<u>340,797</u>	<u>1,847,930</u>	<u>9,919,899</u>	

**9. Analysis of expenditure by activities**

	<b>Activities</b> <b>undertaken</b> <b>directly</b> <b>2022</b> £	<b>Support</b> <b>costs</b> <b>2022</b> £	<b>Total</b> <b>funds</b> <b>2022</b> £	<b>Total</b> <b>funds</b> <b>2021</b> £
Educational Operations	<u>6,769,527</u>	<u>3,977,869</u>	<u><b>10,747,396</b></u>	<u>9,853,865</u>
<i>Total 2021</i>	<u>6,501,365</u>	<u>3,352,500</u>	<u><b>9,853,865</b></u>	

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

**Analysis of direct costs**

	<b>Educational Operations 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Staff costs	6,173,633	<b>6,173,633</b>	6,077,230
Educational supplies	420,577	<b>420,577</b>	282,225
Staff development	47,850	<b>47,850</b>	51,038
Educational consultancy	127,467	<b>127,467</b>	90,872
	<u>6,769,527</u>	<u><b>6,769,527</b></u>	<u>6,501,365</u>
<i>Total 2021</i>	<u><u>6,501,365</u></u>	<u><u><b>6,501,365</b></u></u>	

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

**Analysis of support costs**

	<b>Educational Operations 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
LGPS costs	81,000	81,000	61,000
Staff costs	1,988,675	1,988,675	1,517,268
Depreciation	524,658	524,658	571,980
Technology costs	23,423	23,423	45,956
Recruitment and support costs	29,334	29,334	24,027
Maintenance of premises and equipment	214,658	214,658	230,487
Cleaning	118,779	118,779	110,310
Rent and rates	78,777	78,777	30,871
Energy costs	126,191	126,191	101,676
Insurance	77,053	77,053	69,066
Security and transport	21,604	21,604	13,969
Catering costs	274,281	274,281	236,639
Bank charges	125	125	150
Printing, postage and stationary	9,367	9,367	9,355
Other support costs	216,793	216,793	169,039
Loss on disposal of tangible fixed assets	11,642	11,642	-
Agency costs	154,333	154,333	136,674
Bad debt write off	(150)	(150)	90
Governance costs	27,326	27,326	23,943
	<u>3,977,869</u>	<u>3,977,869</u>	<u>3,352,500</u>
<i>Total 2021</i>	<u>3,352,500</u>	<u>3,352,500</u>	

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

Net income/(expenditure) for the year includes:

	<b>2022 £</b>	<b>2021 £</b>
Operating lease rentals	6,953	8,574
Depreciation of tangible fixed assets	<u>524,658</u>	<u>571,980</u>

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**11. Auditors' remuneration**

	2022 £	2021 £
Fees payable to Xeinadin Audit Limited for the audit of the Academy's annual accounts	12,000	14,200
Fees payable to Xeinadin Audit Limited and its associates in respect of:		
Audit-related assurance services	4,050	3,850
All other non-audit services not included above	2,500	-
	<u>18,550</u>	<u>18,050</u>

**12. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	5,656,146	5,396,055
Social security costs	468,565	435,909
Pension costs	2,037,597	1,762,534
	<u>8,162,308</u>	<u>7,594,498</u>
Agency staff costs	154,333	136,674
	<u>8,316,641</u>	<u>7,731,172</u>

**b. Staff numbers**

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

	2022 No.	2021 No.
Teachers	76	75
Administration and support	200	194
Management	23	27
	<u>299</u>	<u>296</u>

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**12. Staff (continued)**

**c. Higher paid staff**

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	2	-
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	1	2
In the band £110,001 - £120,000	1	-
	<u>1</u>	<u>-</u>

**d. Key management personnel**

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £368,565 (2021 £323,913).

**13. Central services**

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

- Finance
- Governance
- Human resources
- Educational support

The Academy charges for these services on the following basis:

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

The actual amounts charged during the year were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Culverstone Green Primary	42,750	40,925
Meopham Community Academy	91,511	83,679
Riverview Infant School	74,440	66,167
Riverview Junior School	100,710	93,496
Wrotham Road Primary	87,959	83,240
<b>Total</b>	<u>397,370</u>	<u>367,507</u>

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**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:

		2022 £	2021 £
Mrs Nicole Caulfield	Remuneration	95,000 - 100,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
Mrs Ruth Doughty	Remuneration	110,000 - 115,000	95,000 - 100,000
	Pension contributions paid	25,000 - 30,000	20,000 - 25,000

During the year ended 31 August 2022, expenses totalling £305 were reimbursed or paid directly to 3 Trustees (2021 - £105). The expenses reimbursed were for training, travel and other expenses incurred on behalf of the Trust.

**15. Trustees' and Officers' insurance**

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

**16. Net pension interest**

	2022 £	2021 £
Interest income on pension scheme assets	93,000	72,000
Interest on pension scheme liabilities	(174,000)	(133,000)
	<u>(81,000)</u>	<u>(61,000)</u>

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**17. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2021	22,577,470	292,578	438,346	53,080	23,361,474
Additions	659,891	27,085	23,308	-	710,284
Disposals	(41,339)	-	-	-	(41,339)
At 31 August 2022	<u>23,196,022</u>	<u>319,663</u>	<u>461,654</u>	<u>53,080</u>	<u>24,030,419</u>
<b>Depreciation</b>					
At 1 September 2021	1,683,769	245,130	403,188	49,377	2,381,464
Charge for the year	457,902	39,696	23,357	3,703	524,658
At 31 August 2022	<u>2,141,671</u>	<u>284,826</u>	<u>426,545</u>	<u>53,080</u>	<u>2,906,122</u>
<b>Net book value</b>					
At 31 August 2022	<u>21,054,351</u>	<u>34,837</u>	<u>35,109</u>	<u>-</u>	<u>21,124,297</u>
At 31 August 2021	<u>20,893,701</u>	<u>47,448</u>	<u>35,158</u>	<u>3,703</u>	<u>20,980,010</u>

**18. Debtors**

	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	2,408	490
Other debtors	622	-
VAT recoverable	84,615	98,033
Prepayments and accrued income	305,989	551,127
	<u>393,634</u>	<u>649,650</u>



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

	2022 £	2021 £
Other loans	28,414	17,945
Trade creditors	131,776	178,525
Other taxation and social security	125	1,023
Accruals and deferred income	248,426	609,932
	<u>408,741</u>	<u>807,425</u>

Accruals have decreased significantly in the year due to a large roofing project undertaken in the prior year.

	2022 £	2021 £
Deferred income at 1 September 2021	143,205	157,647
Resources deferred during the year	132,190	143,205
Amounts released from previous periods	(143,205)	(157,647)
	<u>132,190</u>	<u>143,205</u>

Deferred income consists mainly of Universal Infant Free School Meals grant income and amounts received in advance for a school trip due to occur in the next academic year.

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**20. Creditors: Amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other loans	<b>244,526</b>	<b>160,243</b>

Included within the above are amounts falling due as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Between one and two years</b>		
Other loans	<b>28,873</b>	<b>18,188</b>
<b>Between two and five years</b>		
Other loans	<b>89,464</b>	<b>56,065</b>
<b>Over five years</b>		
Other loans	<b>126,189</b>	<b>85,990</b>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Payable or repayable by instalments	<b>126,189</b>	<b>85,990</b>
	<b>126,189</b>	<b>85,990</b>

On 18 September 2020, Meopham Community Academy received a loan from Salix Finance Limited repayable in equal instalments ending in September 2029. This loan attracts no interest.

On 18 September 2020, Meopham Community Academy received a CIF loan repayable in equal instalments ending in August 2031. This loan attracts interest at a rate of 1.95%.

On 20 October 2021, Meopham Community Academy received a CIF loan repayable in equal instalments ending August 2032. This loan attracts interest at a rate of 2.07%.

On 20 October 2021, Meopham Community Academy received a CIF loan repayable in equal instalments ending August 2032. This loan attracts interest at a rate of 2.07%.

On 20 October 2020, Riverview Juniors received a CIF loan repayable in equal instalments ending in August 2031. This loan attracts interest at a rate of 1.95%.

On 20 December 2020, Riverview Juniors received a CIF loan repayable in equal instalments ending in August 2031. This loan attracts interest at a rate of 1.95%.

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**21. Statement of funds**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
Unrestricted funds	424,379	297,646	(184,298)	-	-	537,727
<b>Restricted general funds</b>						
General annual grant (GAG)	1,352,033	7,851,915	(7,709,841)	(459,735)	-	1,034,372
Pupil Premium	-	460,057	(460,057)	-	-	-
Teachers Pension Grant	-	4,307	(4,307)	-	-	-
Teachers Pay Grant	-	1,524	(1,524)	-	-	-
UIFSM	-	215,171	(215,171)	-	-	-
PE & Sports Premium	-	96,130	(96,130)	-	-	-
Rates Reclaim	-	28,331	(28,331)	-	-	-
Supplementary Grant	-	96,067	(96,067)	-	-	-
Other DfE/ESFA grants	-	17,934	(17,934)	-	-	-
Special educational projects	-	289,170	(289,170)	-	-	-
Early Years	-	105,023	(105,023)	-	-	-
Other Government grants	-	112,419	(112,419)	-	-	-
Recovery Premium	-	47,162	(47,162)	-	-	-
Other DfE/ESFA Covid funding	-	44,146	(44,146)	-	-	-
Other	-	46,187	(46,187)	-	-	-
Pension reserve	(5,141,000)	-	(879,000)	-	5,191,000	(829,000)
	<b>(3,788,967)</b>	<b>9,415,543</b>	<b>(10,162,469)</b>	<b>(459,735)</b>	<b>5,191,000</b>	<b>205,372</b>

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Restricted fixed asset funds</b>						
Assets held for depreciation	20,980,010	-	(565,997)	710,284	-	21,124,297
Capital funds including CIF	200,661	155,263	(5,507)	(155,797)	-	194,620
Salix/CIF Loans	(178,188)	-	-	(94,752)	-	(272,940)
	<u>21,002,483</u>	<u>155,263</u>	<u>(571,504)</u>	<u>459,735</u>	<u>-</u>	<u>21,045,977</u>
<b>Total Restricted funds</b>	<u>17,213,516</u>	<u>9,570,806</u>	<u>(10,723,973)</u>	<u>-</u>	<u>5,191,000</u>	<u>21,251,349</u>
<b>Total funds</b>	<u>17,637,895</u>	<u>9,868,452</u>	<u>(10,908,271)</u>	<u>-</u>	<u>5,191,000</u>	<u>21,789,076</u>

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

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

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

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

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

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

**Restricted fixed asset funds**

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

**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Culverstone Green Primary	242,647	265,544
Meopham Community Academy	272,237	222,274
Riverview Infant School	339,310	266,781
Riverview Junior School	84,262	339,603
Wrotham Road Primary	604,816	608,102
Central	28,827	74,108
	<u>1,572,099</u>	<u>1,776,412</u>
Total before fixed asset funds and pension reserve	1,572,099	1,776,412
Restricted fixed asset fund	21,045,977	21,002,483
Pension reserve	(829,000)	(5,141,000)
<b>Total</b>	<u><u>21,789,076</u></u>	<u><u>17,637,895</u></u>

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

**Total cost analysis by school**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Culverstone Green Primary	647,318	148,693	45,443	188,268	1,029,722	930,932
Meopham Community Academy	1,298,261	177,319	108,754	410,105	1,994,439	1,765,099
Riverview Infant School	1,047,658	230,932	73,116	312,023	1,663,729	1,655,628
Riverview Junior School	1,542,289	208,544	111,342	366,072	2,228,247	2,152,213
Wrotham Road Primary	1,450,179	259,156	84,734	343,708	2,137,777	1,819,263
Central	187,928	964,031	547	177,193	1,329,699	1,024,784
<b>School</b>	<b>6,173,633</b>	<b>1,988,675</b>	<b>423,936</b>	<b>1,797,369</b>	<b>10,383,613</b>	<b>9,347,919</b>

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

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	21,124,297	21,124,297
Current assets	537,727	1,414,699	194,620	2,147,046
Creditors due within one year	-	(380,327)	(28,414)	(408,741)
Creditors due in more than one year	-	-	(244,526)	(244,526)
Provisions for liabilities and charges	-	(829,000)	-	(829,000)
<b>Total</b>	<b>537,727</b>	<b>205,372</b>	<b>21,045,977</b>	<b>21,789,076</b>

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**22. Analysis of net assets between funds (continued)**

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

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

**23. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	<b>2022 £</b>	<b>2021 £</b>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(1,039,819)</b>	<b>218,712</b>
<b>Adjustments for:</b>		
Depreciation	<b>524,658</b>	<b>571,980</b>
Capital grants from DfE and other capital income	<b>(160,263)</b>	<b>(1,062,365)</b>
Interest receivable	<b>(240)</b>	<b>(226)</b>
Defined benefit pension scheme cost less contributions payable	<b>879,000</b>	<b>636,000</b>
Decrease in stocks	<b>-</b>	<b>3,295</b>
Decrease in debtors	<b>255,866</b>	<b>330,098</b>
Decrease in creditors	<b>(409,003)</b>	<b>(682,792)</b>
Loss on the sale of fixed assets	<b>41,337</b>	<b>5,351</b>
<b>Net cash provided by operating activities</b>	<b>91,536</b>	<b>20,053</b>



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**24. Cash flows from financing activities**

	2022 £	2021 £
Cash inflows from new borrowing	113,316	178,188
Repayments of borrowing	(18,564)	-
<b>Net cash provided by financing activities</b>	<b>94,752</b>	<b>178,188</b>

**25. Cash flows from investing activities**

	2022 £	2021 £
Dividends, interest and rents from investments	240	226
Purchase of tangible fixed assets	(710,282)	(1,172,545)
Capital grants from DfE Group	160,263	1,062,365
<b>Net cash used in investing activities</b>	<b>(549,779)</b>	<b>(109,954)</b>

**26. Analysis of cash and cash equivalents**

	2022 £	2021 £
Cash in hand and at bank	1,753,412	2,116,903
<b>Total cash and cash equivalents</b>	<b>1,753,412</b>	<b>2,116,903</b>

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

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	2,116,903	(363,491)	1,753,412
Debt due within 1 year	(17,945)	(10,469)	(28,414)
Debt due after 1 year	(160,243)	(84,283)	(244,526)
	<b>1,938,715</b>	<b>(458,243)</b>	<b>1,480,472</b>

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**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.

**29. Capital commitments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Contracted for but not provided in these financial statements</b>		
Repairs, maintenance or enhancements to property	-	665,620
	<u>          </u>	<u>          </u>

There were no capital commitments as at 31 August 2022. In the prior year, the Academy was committed to heating works and fire safety works, the anticipated costs of the project were £665,620. The costs are due to be covered by CIF funding, a salix loan and school contribution..

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**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 2019.

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

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £775,597 (2021 - £793,932).

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

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

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**30. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £587,000 (2021 - £500,000), of which employer's contributions totalled £464,000 (2021 - £391,000) and employees' contributions totalled £ 123,000 (2021 - £109,000). The agreed contribution rates for future years are 22.5 per cent for employers and variable per cent for employees.

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

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

**Principal actuarial assumptions**

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.95</b>	<b>3.90</b>
Discount rate for scheme liabilities	<b>4.25</b>	<b>1.65</b>
Inflation assumption (CPI)	<b>2.95</b>	<b>2.90</b>
Commutation of pensions to lump sums	<b>50.00</b>	<b>50.00</b>

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

	<b>2022</b>	<b>2021</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>21.0</b>	<b>21.6</b>
Females	<b>23.5</b>	<b>23.6</b>
<i>Retiring in 20 years</i>		
Males	<b>22.3</b>	<b>22.9</b>
Females	<b>24.9</b>	<b>25.1</b>

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**30. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	6,457	10,256
Discount rate -0.1%	6,773	10,772
Mortality assumption - 1 year increase	6,801	10,927
Mortality assumption - 1 year decrease	6,430	10,111
CPI rate +0.1%	6,764	10,533
CPI rate -0.1%	6,466	10,489

**Share of scheme assets**

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

	<b>At 31 August 2022</b>	<b>At 31 August 2021</b>
	<b>£</b>	<b>£</b>
Equities	3,792,000	3,515,000
Gilts	33,000	30,000
Other bonds	765,000	745,000
Property	680,000	552,000
Cash and other liquid assets	98,000	154,000
Absolute return fund	416,000	374,000
<b>Total market value of assets</b>	<b>5,784,000</b>	<b>5,370,000</b>

The actual return on scheme assets was £-71,000 (2021 - £647,000).

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Current service cost	(1,259,000)	(963,000)
Interest income	93,000	72,000
Interest cost	(174,000)	(133,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(1,340,000)</b>	<b>(1,024,000)</b>

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**30. Pension commitments (continued)**

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

	2022 £	2021 £
<b>At 1 September</b>	<b>10,511,000</b>	<b>8,274,000</b>
Current service cost	1,259,000	963,000
Interest cost	174,000	133,000
Employee contributions	123,000	109,000
Actuarial losses	(5,355,000)	1,090,000
Benefits paid	(99,000)	(58,000)
<b>At 31 August</b>	<b>6,613,000</b>	<b>10,511,000</b>

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

	2022 £	2021 £
<b>At 1 September</b>	<b>5,370,000</b>	<b>4,284,000</b>
Interest income	93,000	72,000
Actuarial gains	(164,000)	575,000
Employer contributions	461,000	388,000
Employee contributions	123,000	109,000
Benefits paid	(99,000)	(58,000)
<b>At 31 August</b>	<b>5,784,000</b>	<b>5,370,000</b>

**31. Operating lease commitments**

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

	2022 £	2021 £
Not later than 1 year	6,122	8,778
Later than 1 year and not later than 5 years	822	6,868
	<b>6,944</b>	<b>15,646</b>

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

	2022 £	2021 £
Operating lease rentals	7,029	8,574

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**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.

**33. Related party transactions**

Owing to the nature of the academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following transaction has not been declared in accordance with the requirements of the Academies Financial Handbook, approval of the transactions was not required in accordance with the Academy's financial regulations.

The academy trust spent £129 (2021: £Nil) with Gravesham Excellence Cluster, a related party of Mrs Jane Partridge-Dyer, in relation to an education conference. As at 31 August 2022, no amounts were outstanding (2021: £Nil).