



Company Registration Number: 09782388 (England & Wales)

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Annual Report and Financial Statements
for the period ended 31 December 2022



THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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Reference and Administrative Details

| | |
|--|--|
| Members | Mrs Elizabeth Wade Mrs Jane Partridge-Dyer Mrs Susan Styles (née Lythgoe when originally appointed) |
| Trustees | Mr Jake Meekums, Chair Mr Richard Acton ² Mrs Dawn Bramer Mrs Nicole Caulfield (resigned 31 December 2022) Mrs Ruth Doughty Mrs Jennifer Margetson ² Mrs Suzanne Mayhew (resigned 31 December 2022) Mr Jasdip Nijjar ^{1,2} |
| | ¹ Director responsible for Finance & Audit ² Member of the Finance & Audit Committee |
| Company registered number | 09782388 |
| Company name | The Pathway Academy Trust |
| Principal and registered office | Culverstone Green Primary Wrotham Road Gravesend Kent DA13 0RF |
| Chief executive officer | Ruth Doughty |
| Senior management team | Mrs Ruth Doughty, Chief Executive Officer & Accounting Officer Mrs Nicole Caulfield, Deputy CEO Mrs Andrya Norris, Chief Operations and Finance Officer |
| Independent auditors | Xeinadin Audit Limited Chartered Accountants Statutory Auditor 12 Conqueror Court Sittingbourne Kent ME10 5BH |
| Bankers | Lloyds Bank PLC 78 New Road Gravesend DA11 0AR |
| Solicitors | Veale Wasbrough Vizards LLP 24 King William Street London EC4R 9AT |

THE PATHWAY ACADEMY TRUST
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Trustees' Report
For the Period Ended 31 December 2022

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from to 31 December 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The academy trust operates five primary schools (two of which include nursery provision) in Gravesham, Southeast England. Its academies have a combined pupil capacity of 1,890 for Years R-6 and had a roll of 1,863 in the school census in October 2022.

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.

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Trustees' Report (continued)
For the Period Ended 31 December 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 Period Ended 31 December 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 Support Manager/School 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 Chief Operations and Financial Officer 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 Period Ended 31 December 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 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. The Trust has focused on staff wellbeing by developing a package of staff benefits and introducing Mental Health First Aiders and staff Well-Being Champions.

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 average time taken to pay suppliers in the period of these accounts was 28 days, which is within the standard payment period of 30 days.

Objectives and Activities

a. Objects and Aims

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

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

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Trustees' Report (continued)
For the Period Ended 31 December 2022

Objectives and Activities (continued)

b. Objectives, strategies and activities

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

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

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

The strategic aims identified for development are:

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

c. Public Benefit

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

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

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

Strategic Report

Achievements and Performance

In OFSTED terms, two schools (Culverstone Green Primary School and Meopham Community Academy) await a routine visit and were last graded GOOD in 2018.

The remaining three schools are graded GOOD: Riverview Infant School (2021), Riverview Junior School (2022) and Wrotham Road Primary School (2022).

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Trustees' Report (continued)
For the Period Ended 31 December 2022

Strategic Report (continued)

Achievements and Performance (continued)

Data for 2022 was the first set since 2019:

| 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 Period Ended 31 December 2022

Strategic Report (continued)

Achievements and Performance (continued)

a. Key performance indicators

Key Performance Indicators: 1 Sept 2022 to 31 Dec 2022

| | | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | Benchmarking | |
|---|--|---------|---------|---------|---------|---------|---------|--------------|------------|
| | | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 |
| Total Staff Salary Costs | | 175,519 | 161,175 | 105,874 | 102,727 | 105,874 | 102,727 | | |
| Staff Income and Expenditure (MPP) | Total Staff Salary Costs as % of Total Revenue Expenditure | 71.4% | 71.7% | 71.5% | 71.4% | 71.5% | 71.4% | 75% | 75% |
| | Total Staff Salary Costs as % of Total Revenue Income | 81.6% | 81.2% | 81.6% | 81.2% | 81.6% | 81.2% | 77% | 75% |
| | Working Staff Salary Costs as % of Total Revenue Expenditure (S) | 61.8% | 61.8% | 61.7% | 61.6% | 61.7% | 61.6% | 64% | 63% |
| | Working Staff Salary Costs as % of Total Revenue Income (S) | 71.8% | 71.7% | 71.8% | 71.7% | 71.8% | 71.7% | 64% | 67% |
| | Education Support Staff Salary Costs as % of Total Revenue Expenditure | 14.2% | 14.5% | 14.2% | 14.1% | 14.2% | 14.1% | 14% | 17% |
| | Education Support Staff Salary Costs as % of Total Revenue Income | 16.2% | 16.1% | 16.2% | 16.1% | 16.2% | 16.1% | 14% | 16% |
| Staff Support Staff Salary Costs | Staff Support Staff Salary Costs as % of Total Revenue Expenditure | 9.8% | 9.7% | 9.8% | 9.7% | 9.8% | 9.7% | 5% | 7% |
| | Staff Support Staff Salary Costs as % of Total Revenue Income | 11.2% | 11.1% | 11.2% | 11.1% | 11.2% | 11.1% | 6% | 8% |
| Direct Labour Cost | | 73,774 | 71,000 | 45,410 | 43,870 | 45,410 | 43,870 | 7% | 12% |
| Other Funding Values | Approved Additional Funding (MPP) | 121 | 149 | 121 | 149 | 121 | 149 | 1300 | 10 MATs |
| | Approved Additional Expenditure (MPP) | 105 | 129 | 105 | 129 | 105 | 129 | | |
| | Total Revenue Expenditure as % of Total Revenue Income | 80.7% | 81.2% | 80.7% | 81.1% | 80.7% | 81.1% | 80% | 80% |
| | Change in Total Revenue Expenditure as % of Total Revenue Income | -1.7% | -1.5% | -1.7% | -1.5% | -1.7% | -1.5% | -1% | 4% |
| Additional Values | Change in Total Revenue | 29.43 | 20.71 | 29.33 | 21.00 | 29.43 | 21.00 | | |
| | Change in Total Revenue PPS | 2.17 | 22.42 | 22.17 | 22.10 | 22.17 | 22.10 | 23 | 10 primary |

Key
 Within Benchmarking Threshold
 Outside Benchmarking Threshold

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 assets and closing net book values respectively.

This merger completed on 1 January 2023 and therefore these final financial statements have been prepared on a basis other than that of a going concern. Following approval of these, 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.

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Trustees' Report (continued)
For the Period Ended 31 December 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.

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Trustees' Report (continued)
For the Period Ended 31 December 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 December 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 have worked 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 December 2022, total expenditure of £3,689,536 (year ended 31 August 2022: £10,908,271) 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 £180,271 (year ended 31 August 2022: £623,578).

At 31 December 2022 the net book value of fixed assets was £21,037,277 (year ended 31 August 2022: £21,124,297). 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 asset for the Local Government Pension Scheme is £125,000 (year ended 31 August 2022: £829,000 liability) as at 31 December 2022. This is a movement of £954,000 from the previous year.

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.

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 £922,384 - £2,767,152 (year ended 31 August 2022: £909,023 - £2,727,068)

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 £340,698 (year ended 31 August 2022: £537,727) (total funds less the amount held in fixed assets and restricted funds).

b. Investment Policy

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

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

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Trustees' Report (continued)
For the Period Ended 31 December 2022

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 most recent version of the risk register presented to the Board of Directors.

The Pathway Academy Trust - Risk Register



| Risk ID | Description of Risk | Impact | Frequency | Severity | Current Risk Rating | Mitigation Strategy | Residual Risk Rating | Responsible Officer | Last Review Date |
|---------|--|--------|-----------|----------|---------------------|--|----------------------|---------------------|------------------|
| R1 | Failure to meet the needs of all children and young people, including those with special educational needs and disabilities. | Low | Low | Low | Low | Regular monitoring of progress and individualized support plans. | Low | Headteacher | 31/12/22 |
| R2 | Failure to ensure the safety and well-being of children and young people. | High | Low | High | High | Regular safety audits, staff training, and clear reporting procedures. | Medium | Headteacher | 31/12/22 |
| R3 | Failure to ensure the financial stability of the Trust. | High | Low | High | High | Regular financial reviews, budgeting, and cost management. | Medium | Chair of Governors | 31/12/22 |
| R4 | Failure to ensure the quality of teaching and learning. | High | Low | High | High | Regular lesson observations, staff development, and curriculum review. | Medium | Headteacher | 31/12/22 |
| R5 | Failure to ensure the effectiveness of safeguarding procedures. | High | Low | High | High | Regular safeguarding training, clear reporting procedures, and regular reviews. | Medium | Headteacher | 31/12/22 |
| R6 | Failure to ensure the effectiveness of internal controls. | High | Low | High | High | Regular internal audits, clear policies, and staff training. | Medium | Chair of Governors | 31/12/22 |
| R7 | Failure to ensure the effectiveness of IT systems. | High | Low | High | High | Regular IT audits, staff training, and clear reporting procedures. | Medium | Headteacher | 31/12/22 |
| R8 | Failure to ensure the effectiveness of energy efficiency measures. | High | Low | High | High | Regular energy audits, staff training, and clear reporting procedures. | Medium | Headteacher | 31/12/22 |
| R9 | Failure to ensure the effectiveness of business continuity plans. | High | Low | High | High | Regular business continuity reviews, staff training, and clear reporting procedures. | Medium | Headteacher | 31/12/22 |
| R10 | Failure to ensure the effectiveness of risk management processes. | High | Low | High | High | Regular risk management reviews, staff training, and clear reporting procedures. | Medium | Headteacher | 31/12/22 |

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Trustees' Report (continued)
For the Period Ended 31 December 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.

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Trustees' Report (continued)
For the Period Ended 31 December 2022

Streamlined Energy and Carbon Reporting

The Trust has calculated the energy consumption of all of its constituent schools for the period 1 September 2022 to 31 December 2022. The results are recorded in the table below:

| | 4 months ended 31 December 2022 | <i>Year ended 31 August 2022</i> |
|---|--|--|
| Energy consumption used to calculate emissions (kWh) | 324,729 | 994,844 |
| Energy consumption breakdown (kWh): | | |
| Gas | 177,057 | 546,755 |
| Electricity | 145,383 | 441,541 |
| Transport fuel | 2,289 | 5,212 |
| Scope 1 emissions (in tonnes of CO2 equivalent): | | |
| Gas consumption | 32.32 | 99.81 |
| Owned transport | 0.35 | 1.31 |
| Total scope 1 | 32.67 | 101.12 |
| Scope 2 emissions (in tonnes of CO2 equivalent): | | |
| Purchased electricity | 28.11 | 85.39 |
| Scope 3 emissions (in tonnes of CO2 equivalent): | | |
| Business travel in employee-owned or rental vehicles | 0.21 | 0.31 |
| Total gross emissions (in tonnes of CO2 equivalent): | 60.99 | 186.82 |
| Intensity ratio: | | |
| Tonnes of CO2 equivalent per pupil | 0.03 | 0.10 |

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 2022 UK Government's Conversion Factors for Company Reporting.

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

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

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

THE PATHWAY ACADEMY TRUST
 (A Company Limited by Guarantee)

Trustees' Report (continued)
For the Period Ended 31 December 2022

Plans for Future Periods

As of 1 January 2023, the Trust merged 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 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 | Quality

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Period Ended 31 December 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
(A Company Limited by Guarantee)

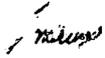
Trustees' Report (continued)
For the Period Ended 31 December 2022

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.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 24 April 2023 and signed on its behalf by:



Mr Jake Meekums
Chair of the Board of Directors

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement

Scope of responsibility

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

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

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

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Directors has formally met 4 times during the period.

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 | 4 | 4 |
| Mrs Ruth Doughty | 4 | 4 |
| Mrs Nicole Caulfield | 3 | 4 |
| Mrs Dawn Bramer | 4 | 4 |
| Mrs Jennifer Margetson | 3 | 4 |
| Mrs Suzanne Mayhew | 3 | 4 |
| Mr Jasdip Nijjar | 4 | 4 |
| Mr Richard Acton | 3 | 4 |

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 twice during the period.

Attendance during the period at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|-----------------|-------------------|-------------------|
| Jenny Margetson | 2 | 2 |
| Jasdip Nijjar | 2 | 2 |
| Richard Acton | 2 | 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.

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.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

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

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) came into effect on 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 Caulfield to resign as a Director 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
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

Standards Committee

The role of the Standards Committee is to enable the HTs and LGB Chairs of each school to provide Directors with an update on the school's performance on an annual basis. Chairs of the LGBs and HTs for each of the Trust schools are invited to attend the Committee meetings. The CEO attended the meetings in her role to ensure the performance of the schools. The Standards Committee met once during the period.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|-----------------|-------------------|-------------------|
| Jake Meekums | 1 | 1 |
| Dawn Bramer | 1 | 1 |
| Jenny Margetson | 1 | 1 |

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 once during the period.

Attendance at this meeting was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------------------|-------------------|-------------------|
| Helena Gula (Vice Chair) | 1 | 1 |
| Adrian Watson (Head Teacher) | 1 | 1 |
| Aimee Plourde Stabler | 1 | 1 |
| Steve Hayden | 0 | 1 |
| Debbie Maxted | 1 | 1 |
| Robert Hill | 1 | 1 |
| Kirsty Hipwood | 0 | 1 |
| Michael Burbeck | 1 | 1 |

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 once during the period.

Attendance at this meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| Hits Patel (Vice Chair) | 1 | 1 |
| Hayley Chisholm | 1 | 1 |
| Lisa Dobson | 1 | 1 |
| Richard Ward | 1 | 1 |
| Kerrie Ward (Head of School - appointed 01/09/2022 and currently on maternity leave) | 1 | 1 |
| Darren Hobbs (appointed 01/09/2022) | 0 | 1 |
| Matt Deleay (appointed 01/09/2022) | 0 | 1 |
| James Bernard (acting Head of School - appointed 12/11/2022) | 0 | 0 |
| Emma Booker (appointed 21/11/2022) | 0 | 0 |

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 once during the period.

Attendance at this meeting was as follows:

| | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Roy Carlo (Chair) | 1 | 1 |
| Martin Hill | 1 | 1 |
| Caroline Chisholm (Vice Chair) | 0 | 1 |
| Craig Fenton | 1 | 1 |
| Poorvi Heerlall | 0 | 1 |
| Alessandra Walker May | 0 | 1 |
| Aaron James (Head of School - appointed 01/09/2022) | 1 | 1 |
| Sarah Jones (appointed 31/10/2022) | 0 | 0 |

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

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 once during the period.

Attendance at this meeting was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Lucy Hornby (Chair) | 1 | 1 |
| Mark Whitehouse (Vice Chair) | 1 | 1 |
| Sarah Jack (Headteacher) | 1 | 1 |
| Jeremy Bownas | 0 | 1 |
| Margaret Tillet | 1 | 1 |
| Hayley Walker-Climpson (appointed 01/09/2022) | 1 | 1 |

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 once during the period.

Attendance at this meeting was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------------------------|-------------------|-------------------|
| Helena Gula (Chair) | 1 | 1 |
| Ben Roberts (Vice Chair) | 1 | 1 |
| Michele Sowden-Mehta (Headteacher) | 1 | 1 |
| Clair Barden | 1 | 1 |
| Katherine Shamsaddini | 1 | 1 |
| Karen Jackson | 1 | 1 |
| Lisa Broad | 0 | 0 |
| Oakley Wright | 0 | 0 |
| Momtaz Ashraf | 0 | 0 |

Review of Value for Money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the academy trust delivered improved value for money during the period 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 PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

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.

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 1st September 2022 to 31st December 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 Pathway Academy Trust would usually have internal audit visits in the second half of the year; therefore, no internal audit visits took place during the period from 1 September to 31 December 2022.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

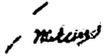
Governance Statement (continued)

Review of Effectiveness

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

- the financial management and governance of the Finance and Audit Committee;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

Approved by order of the members of the Board of Trustees on 24 April 2023 and signed on their behalf by:



Mr J Meekums
Chair of the Board of Directors



Mrs R Doughty
Accounting Officer

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of The Pathway Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022.

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 Academy Trust Handbook 2022.

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: 24 April 2023

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Period Ended 31 December 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:

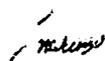
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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: 24 April 2023

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 period ended 31 December 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 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the period 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 period 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. 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: 26 April 2023

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 period 1 September 2022 to 31 December 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 2022, 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 period 1 September 2022 to 31 December 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:

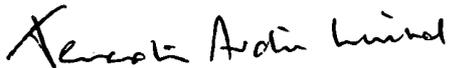
- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system of controls, policies and procedures in place to ensure compliance with the 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 period 1 September 2022 to 31 December 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Xeladin Audit Limited
Reporting Accountant
Chartered Accountants
Sittingbourne

Date: 26 April 2023

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Period Ended 31 December 2022

| | Unrestricted funds 4 months ended 31 December 2022 £ | Restricted funds 4 months ended 31 December 2022 £ | Restricted fixed asset funds 4 months ended 31 December 2022 £ | Total funds 4 months ended 31 December 2022 £ | Total funds Year ended 31 August 2022 £ | |
|--|--|--|---|---|--|--------------------|
| Income from: | | | | | | |
| Donations and capital grants | 4 | 19,658 | 1,171 | 88,077 | 108,906 | 172,271 |
| Other trading activities | | 75,361 | 32,560 | - | 107,921 | 326,585 |
| Investments | 7 | 74 | - | - | 74 | 240 |
| Charitable activities | | - | 3,213,502 | - | 3,213,502 | 9,369,356 |
| Total income | | 95,093 | 3,247,233 | 88,077 | 3,430,403 | 9,868,452 |
| Expenditure on: | | | | | | |
| Raising funds | | 57,254 | 123 | - | 57,377 | 160,875 |
| Charitable activities | | 15,021 | 3,450,199 | 166,939 | 3,632,159 | 10,747,396 |
| Total expenditure | | 72,275 | 3,450,322 | 166,939 | 3,689,536 | 10,908,271 |
| Net income/(expenditure) | | 22,818 | (203,089) | (78,862) | (259,133) | (1,039,819) |
| Transfers between funds | 21 | (219,847) | 191,931 | 27,916 | - | - |
| Net movement in funds before other recognised gains | | (197,029) | (11,158) | (50,946) | (259,133) | (1,039,819) |
| Other recognised gains: | | | | | | |
| Actuarial gains on defined benefit pension schemes | 30 | - | 962,000 | - | 962,000 | 5,191,000 |
| Net movement in funds | | (197,029) | 950,842 | (50,946) | 702,867 | 4,151,181 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 537,727 | 205,372 | 21,045,977 | 21,789,076 | 17,637,895 |
| Net movement in funds | | (197,029) | 950,842 | (50,946) | 702,867 | 4,151,181 |
| Total funds carried forward | | 340,698 | 1,156,214 | 20,995,031 | 22,491,943 | 21,789,076 |

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

The notes on pages 37 to 72 form part of these financial statements.

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

Balance Sheet
As at 31 December 2022

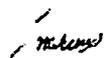
| | Note | 31 December 2022 £ | 31 August 2022 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 17 | 21,037,277 | 21,124,297 |
| | | <u>21,037,277</u> | <u>21,124,297</u> |
| Current assets | | | |
| Debtors | 18 | 314,838 | 393,634 |
| Cash at bank and in hand | | 1,672,729 | 1,753,412 |
| | | <u>1,987,567</u> | <u>2,147,046</u> |
| Creditors: amounts falling due within one year | 19 | (417,418) | (408,741) |
| Net current assets | | <u>1,570,149</u> | <u>1,738,305</u> |
| Total assets less current liabilities | | <u>22,607,426</u> | <u>22,862,602</u> |
| Creditors: amounts falling due after more than one year | 20 | (240,483) | (244,526) |
| Net assets excluding pension asset / liability | | <u>22,366,943</u> | <u>22,618,076</u> |
| Defined benefit pension scheme asset / liability | 30 | 125,000 | (829,000) |
| Total net assets | | <u><u>22,491,943</u></u> | <u><u>21,789,076</u></u> |

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

Balance Sheet (continued)
As at 31 December 2022

| | Note | 31 December 2022 £ | 31 August 2022 £ |
|---|------|-----------------------------|--------------------------|
| Funds of the Academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 21 | 20,995,031 | 21,045,977 |
| Restricted income funds | 21 | 1,031,214 | 1,034,372 |
| Restricted funds excluding pension liability / asset | 21 | <u>22,026,245</u> | <u>22,080,349</u> |
| Pension reserve | 21 | 125,000 | (829,000) |
| Total restricted funds | 21 | <u>22,151,245</u> | 21,251,349 |
| Unrestricted income funds | 21 | 340,698 | 537,727 |
| Total funds | | <u><u>22,491,943</u></u> | <u><u>21,789,076</u></u> |

The financial statements on pages 33 to 72 were approved by the Trustees, and authorised for issue on 24 April 2023 and are signed on their behalf, by:



Mr Jake Meekums
Chair of the Board of Directors

The notes on pages 37 to 72 form part of these financial statements.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Period Ended 31 December 2022

| | Note | 4 months ended 31 December 2022 £ | <i>Year ended 31 August 2022 £</i> |
|---|---------------|--|--|
| Cash flows from operating activities | | | |
| Net cash (used in)/provided by operating activities | 23 | (81,679) | 91,536 |
| Cash flows from investing activities | | | |
| Cash flows from investing activities | 25 | 8,466 | (549,779) |
| Cash flows from financing activities | | | |
| Cash flows from financing activities | 24 | (7,470) | 94,752 |
| Change in cash and cash equivalents in the period | | (80,683) | (363,491) |
| Cash and cash equivalents at the beginning of the period | | 1,753,412 | 2,116,903 |
| Cash and cash equivalents at the end of the period | 26, 27 | <u>1,672,729</u> | <u>1,753,412</u> |

The notes on pages 37 to 72 from part of these financial statements

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 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 assets and closing net book values respectively.

This merger completed on 1 January 2023 and therefore these final financial statements have been prepared on a basis other than that of a going concern. Following approval of these, 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 PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 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 period for which it is receivable and any abatement in respect of the period 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 period 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 Period Ended 31 December 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 Period Ended 31 December 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 Period Ended 31 December 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 Period Ended 31 December 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 December 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
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

4. Income from donations and capital grants

| | Unrestricted funds 4 months ended 31 December 2022 £ | Restricted funds 4 months ended 31 December 2022 £ | Restricted fixed asset funds 4 months ended 31 December 2022 £ | Total funds 4 months ended 31 December 2022 £ | <i>Total funds Year ended 31 August 2022 £</i> |
|-------------------|---|---|--|--|--|
| Donations | 19,658 | 1,171 | - | 20,829 | 17,008 |
| Capital Grants | - | - | 88,077 | 88,077 | 155,263 |
| | <u>19,658</u> | <u>1,171</u> | <u>88,077</u> | <u>108,906</u> | <u>172,271</u> |
| <i>Total 2022</i> | <u>15,870</u> | <u>1,138</u> | <u>155,263</u> | <u>172,271</u> | |

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

5. Funding for the Academy's charitable activities

| | Restricted funds 4 months ended 31 December 2022 £ | Total funds 4 months ended 31 December 2022 £ | <i>Total funds Year ended 31 August 2022 £</i> |
|---|---|--|--|
| Educational Operations | | | |
| DfE/ESFA grants | | | |
| General Annual Grant (GAG) | 2,679,880 | 2,679,880 | 7,851,915 |
| Other DfE/ESFA grants | | | |
| Pupil Premium | 169,474 | 169,474 | 460,057 |
| Teachers Pension Grant | 1,462 | 1,462 | 4,307 |
| Teachers Pay Grant | 517 | 517 | 1,524 |
| UIFSM | 73,076 | 73,076 | 215,171 |
| PE & Sports Premium | 32,037 | 32,037 | 96,130 |
| Rates Reclaim | 10,162 | 10,162 | 28,331 |
| Supplementary Grant | 76,852 | 76,852 | 96,067 |
| Others | - | - | 17,934 |
| | <hr/> | <hr/> | <hr/> |
| | 3,043,460 | 3,043,460 | 8,771,436 |
| Other Government grants | | | |
| Special educational projects | 68,256 | 68,256 | 289,170 |
| Early Years | 62,973 | 62,973 | 105,023 |
| Others | 5,395 | 5,395 | 112,419 |
| | <hr/> | <hr/> | <hr/> |
| | 136,624 | 136,624 | 506,612 |
| COVID-19 additional funding (DfE/ESFA) | | | |
| Catch-up/Recovery Premium | 17,352 | 17,352 | 47,162 |
| Other DfE/ESFA COVID-19 funding | 16,066 | 16,066 | 44,146 |
| | <hr/> | <hr/> | <hr/> |
| | 33,418 | 33,418 | 91,308 |
| | <hr/> | <hr/> | <hr/> |
| | 3,213,502 | 3,213,502 | 9,369,356 |
| | <hr/> | <hr/> | <hr/> |
| <i>Total 2022</i> | 9,369,356 | 9,369,356 | |

During the period from 1 September 2022 to 31 December 2022, the academy received £17k (year ended 31 August 2022: £47k) of funding for catch-up/recovery premium and costs incurred in respect of this funding totalled £13k (year ended 31 August 2022: £47k).

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

6. Income from other trading activities

| | Unrestricted funds 4 months ended 31 December 2022 £ | Restricted funds 4 months ended 31 December 2022 £ | Total funds 4 months ended 31 December 2022 £ | <i>Total funds Year ended 31 August 2022 £</i> |
|--------------------------|---|---|--|--|
| Catering income | - | 5,873 | 5,873 | 5,110 |
| Consultancy income | - | - | - | 3,614 |
| Hire of facilities | 10,079 | - | 10,079 | 22,596 |
| Insurance reclaims | - | 4,830 | 4,830 | 20,036 |
| Extended services income | 44,566 | - | 44,566 | 125,049 |
| School trip income | 16,115 | 7,933 | 24,048 | 140,738 |
| Other income | 4,601 | - | 4,601 | 9,442 |
| Nursery income | - | 13,924 | 13,924 | - |
| | <u>75,361</u> | <u>32,560</u> | <u>107,921</u> | <u>326,585</u> |
| <i>Total 2022</i> | <u>281,536</u> | <u>45,049</u> | <u>326,585</u> | |

7. Investment income

| | Unrestricted funds 4 months ended 31 December 2022 £ | Total funds 4 months ended 31 December 2022 £ | <i>Total funds Year ended 31 August 2022 £</i> |
|-------------------|---|--|--|
| Bank interest | 74 | 74 | 240 |
| | <u>240</u> | <u>240</u> | |
| <i>Total 2022</i> | <u>240</u> | <u>240</u> | |

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

8. Expenditure

| | Staff Costs 4 months ended 31 December 2022 £ | Premises 4 months ended 31 December 2022 £ | Other 4 months ended 31 December 2022 £ | Total 4 months ended 31 December 2022 £ | <i>Total Year ended 31 August 2022 £</i> |
|--|--|---|--|--|--|
| Expenditure on raising voluntary income: | | | | | |
| Direct costs | - | - | 57,377 | 57,377 | 160,875 |
| Educational Operations: | | | | | |
| Direct costs | 2,271,838 | - | 244,163 | 2,516,001 | 6,769,527 |
| Allocated support costs | 465,545 | 97,100 | 553,513 | 1,116,158 | 3,977,869 |
| | <u>2,737,383</u> | <u>97,100</u> | <u>855,053</u> | <u>3,689,536</u> | <u>10,908,271</u> |
| <i>Total 2022</i> | <u>8,316,641</u> | <u>333,437</u> | <u>2,258,193</u> | <u>10,908,271</u> | |

9. Analysis of expenditure by activities

| | Activities undertaken directly 4 months ended 31 December 2022 £ | Support costs 4 months ended 31 December 2022 £ | Total funds 4 months ended 31 December 2022 £ | <i>Total funds Year ended 31 August 2022 £</i> |
|------------------------|---|--|--|--|
| Educational Operations | <u>2,516,001</u> | <u>1,116,158</u> | <u>3,632,159</u> | <u>10,747,396</u> |
| <i>Total 2022</i> | <u>6,769,527</u> | <u>3,977,869</u> | <u>10,747,396</u> | |

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Educational Operations 4 months ended 31 December 2022 £ | Total funds 4 months ended 31 December 2022 £ | <i>Total funds Year ended 31 August 2022 £</i> |
|-------------------------|---|--|--|
| Staff costs | 2,271,838 | 2,271,838 | 6,173,633 |
| Educational supplies | 172,730 | 172,730 | 420,577 |
| Staff development | 31,979 | 31,979 | 47,850 |
| Educational consultancy | 39,454 | 39,454 | 127,467 |
| | <u>2,516,001</u> | <u>2,516,001</u> | <u>6,769,527</u> |
| <i>Total 2022</i> | <u><u>6,769,527</u></u> | <u><u>6,769,527</u></u> | |

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

9. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Educational Operations 4 months ended 31 December 2022 £ | Total funds 4 months ended 31 December 2022 £ | <i>Total funds Year ended 31 August 2022 £</i> |
|---|---|--|--|
| LGPS costs | 11,000 | 11,000 | 81,000 |
| Staff costs | 427,612 | 427,612 | 1,988,675 |
| Depreciation | 166,705 | 166,705 | 524,658 |
| Technology costs | 15,021 | 15,021 | 23,423 |
| Recruitment and support costs | 13,341 | 13,341 | 29,334 |
| Maintenance of premises and equipment | 58,045 | 58,045 | 214,658 |
| Cleaning | 39,055 | 39,055 | 118,779 |
| Rent and rates | 22,293 | 22,293 | 78,777 |
| Energy costs | 59,837 | 59,837 | 126,191 |
| Insurance | 32,790 | 32,790 | 77,053 |
| Security and transport | 5,039 | 5,039 | 21,604 |
| Catering costs | 104,024 | 104,024 | 274,281 |
| Bank charges | - | - | 125 |
| Printing, postage and stationary | 2,948 | 2,948 | 9,367 |
| Other support costs | 96,735 | 96,735 | 216,793 |
| Loss on disposal of tangible fixed assets | - | - | 11,642 |
| Agency costs | 37,933 | 37,933 | 154,333 |
| Bad debt write off | - | - | (150) |
| Governance costs | 23,780 | 23,780 | 27,326 |
| | <u>1,116,158</u> | <u>1,116,158</u> | <u>3,977,869</u> |
| <i>Total 2022</i> | <u>3,977,869</u> | <u>3,977,869</u> | |

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Period Ended 31 December 2022

10. Net income/(expenditure)

Net income/(expenditure) for the period includes:

| | 4 months ended 31 December 2022 £ | <i>Year ended 31 August 2022 £</i> |
|---------------------------------------|--|--|
| Operating lease rentals | 2,038 | 6,953 |
| Depreciation of tangible fixed assets | 166,705 | 524,658 |
| | <u>168,743</u> | <u>531,611</u> |

11. Auditors' remuneration

| | 4 months ended 31 December 2022 £ | <i>Year ended 31 August 2022 £</i> |
|---|--|--|
| Fees payable to Xeinadin Audit Limited for the audit of the Academy's annual accounts | 12,000 | 12,000 |
| Fees payable to Xeinadin Audit Limited and its associates in respect of: | | |
| Audit-related assurance services | 4,050 | 4,050 |
| All other non-audit services not included above | 4,000 | 2,500 |
| | <u>20,050</u> | <u>18,550</u> |

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Period Ended 31 December 2022

12. Staff

a. Staff costs

Staff costs during the period were as follows:

| | 4 months ended 31 December 2022 £ | <i>Year ended 31 August 2022 £</i> |
|---------------------------|--|--|
| Wages and salaries | 2,033,325 | 5,656,146 |
| Social security costs | 166,997 | 468,565 |
| Pension costs | 453,357 | 2,037,597 |
| | <u>2,653,679</u> | <u>8,162,308</u> |
| Agency staff costs | 37,933 | 154,333 |
| Staff restructuring costs | 45,771 | - |
| | <u><u>2,737,383</u></u> | <u><u>8,316,641</u></u> |

Included in staff restructuring costs is one non-statutory/non-contractual severance payment totalling £30,085 (year ended 31 August 2022 - £Nil).

b. Staff numbers

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

| | 4 months ended 31 December 2022 No. | <i>Year ended 31 August 2022 No.</i> |
|----------------------------|--|--|
| Teachers | 63 | 76 |
| Administration and support | 178 | 200 |
| Management | 27 | 23 |
| | <u>268</u> | <u>299</u> |

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

12. Staff (continued)

c. Higher paid staff

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

| | 4 months ended 31 December 2022 No. | <i>Year ended 31 August 2022 No.</i> |
|---------------------------------|--|--|
| In the band £60,001 - £70,000 | 1 | 2 |
| In the band £70,001 - £80,000 | - | 2 |
| In the band £80,001 - £90,000 | - | 1 |
| In the band £90,001 - £100,000 | - | 1 |
| In the band £110,001 - £120,000 | - | 1 |
| | <u> </u> | <u> </u> |

The financial statements have been prepared for a four month period. The accounting treatment of this disclosure is consistent with the prior year to be on an at cost basis.

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 £143,071 (*year ended 31 August 2022 - £368,565*).

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

13. Central services

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

- 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 period were as follows:

| | 4 months ended 31 December 2022 £ | <i>Year ended 31 August 2022 £</i> |
|---------------------------|--|--|
| Culverstone Green Primary | 15,069 | <i>42,750</i> |
| Meopham Community Academy | 31,377 | <i>91,511</i> |
| Riverview Infant School | 24,865 | <i>74,440</i> |
| Riverview Junior School | 35,101 | <i>100,710</i> |
| Wrotham Road Primary | 31,425 | <i>87,959</i> |
| Total | <u>137,837</u> | <i><u>397,370</u></i> |

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

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:

| | | 4 months ended | <i>Year ended</i> |
|----------------------|----------------------------|------------------------|--------------------------|
| | | 31 December | <i>31 August</i> |
| | | 2022 | <i>2022</i> |
| | | £ | <i>£</i> |
| Mrs Nicole Caulfield | Remuneration | 15,000 - 20,000 | <i>95,000 - 100,000</i> |
| | Pension contributions paid | | <i>20,000 - 25,000</i> |
| Mrs Ruth Doughty | Remuneration | 40,000 - 45,000 | <i>110,000 - 115,000</i> |
| | Pension contributions paid | 5,000 - 10,000 | <i>25,000 - 30,000</i> |

During the period ended 31 December 2022, expenses totalling £88 were reimbursed or paid directly to 1 Trustee (year ended 31 August 2022 - £305 to 3 Trustees). 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

| | 4 months ended 31 December 2022 | <i>Year ended 31 August 2022</i> |
|--|--|----------------------------------|
| | £ | <i>£</i> |
| Interest income on pension scheme assets | 82,000 | <i>93,000</i> |
| Interest on pension scheme liabilities | (93,000) | <i>(174,000)</i> |
| | (11,000) | <i>(81,000)</i> |

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

17. Tangible fixed assets

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|--------------------------|---|------------------------------------|----------------------------|------------------------|-------------------|
| Cost or valuation | | | | | |
| At 1 September 2022 | 23,196,022 | 319,663 | 461,654 | 53,080 | 24,030,419 |
| Additions | 79,685 | - | - | - | 79,685 |
| At 31 December 2022 | <u>23,275,707</u> | <u>319,663</u> | <u>461,654</u> | <u>53,080</u> | <u>24,110,104</u> |
| Depreciation | | | | | |
| At 1 September 2022 | 2,141,671 | 284,826 | 426,545 | 53,080 | 2,906,122 |
| Charge for the period | 155,072 | 4,317 | 7,316 | - | 166,705 |
| At 31 December 2022 | <u>2,296,743</u> | <u>289,143</u> | <u>433,861</u> | <u>53,080</u> | <u>3,072,827</u> |
| Net book value | | | | | |
| At 31 December 2022 | <u>20,978,964</u> | <u>30,520</u> | <u>27,793</u> | - | <u>21,037,277</u> |
| At 31 August 2022 | <u>21,054,351</u> | <u>34,837</u> | <u>35,109</u> | - | <u>21,124,297</u> |

18. Debtors

| | 31 December 2022 £ | 31 August 2022 £ |
|--------------------------------|-----------------------------|------------------------|
| Due within one year | | |
| Trade debtors | 1,151 | 2,408 |
| Other debtors | 4,719 | 622 |
| VAT recoverable | 74,888 | 84,615 |
| Prepayments and accrued income | 234,080 | 305,989 |
| | <u>314,838</u> | <u>393,634</u> |

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

19. Creditors: Amounts falling due within one year

| | 31 December 2022 £ | 31 August 2022 £ |
|--|---------------------------------------|---------------------------------|
| Other loans | 24,987 | 28,414 |
| Trade creditors | 141,746 | 131,776 |
| Other taxation and social security | - | 125 |
| Accruals and deferred income | 250,685 | 248,426 |
| | 417,418 | 408,741 |
| | 417,418 | 408,741 |
| | 31 December 2022 £ | 31 August 2022 £ |
| Deferred income at 1 September 2022 | 132,190 | 143,205 |
| Resources deferred during the period | 170,204 | 132,190 |
| Amounts released from previous periods | (132,190) | (143,205) |
| | 170,204 | 132,190 |
| | 170,204 | 132,190 |

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

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

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

| | 31 December 2022 | <i>31 August 2022</i> |
|-------------|---------------------------------|---------------------------|
| | £ | £ |
| Other loans | 240,483 | <i>244,526</i> |
| | <u><u>240,483</u></u> | <u><u>244,526</u></u> |

Included within the above are amounts falling due as follows:

| | 31 December 2022 | <i>31 August 2022</i> |
|-----------------------------------|---------------------------------|---------------------------|
| | £ | £ |
| Between one and two years | | |
| Other loans | 28,822 | <i>28,873</i> |
| | <u><u>28,822</u></u> | <u><u>28,873</u></u> |
| Between two and five years | | |
| Other loans | 89,306 | <i>89,464</i> |
| | <u><u>89,306</u></u> | <u><u>89,464</u></u> |
| Over five years | | |
| Other loans | 122,355 | <i>126,189</i> |
| | <u><u>122,355</u></u> | <u><u>126,189</u></u> |

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

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

| | 31 December 2022 £ | 31 August 2022 £ |
|-------------------------------------|---------------------------------------|---------------------------------|
| Payable or repayable by instalments | 122,355 | 126,189 |
| | <u>122,355</u> | <u>126,189</u> |

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 April 2033. 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 April 2033. 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%.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

21. Statement of funds

| | Balance at 1 September 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 December 2022 £ |
|---------------------------------|--|------------------|--------------------|--------------------------|-------------------------|---|
| Unrestricted funds | | | | | | |
| Unrestricted funds | 537,727 | 95,093 | (72,275) | (219,847) | - | 340,698 |
| Restricted general funds | | | | | | |
| General annual grant (GAG) | 1,034,372 | 2,679,880 | (2,879,427) | 191,931 | - | 1,026,756 |
| Pupil Premium | - | 169,474 | (169,474) | - | - | - |
| Teachers Pension Grant | - | 1,462 | (1,462) | - | - | - |
| Teachers Pay Grant | - | 517 | (517) | - | - | - |
| UIFSM | - | 73,076 | (73,076) | - | - | - |
| PE & Sports Premium | - | 32,037 | (32,037) | - | - | - |
| Rates Reclaim | - | 10,162 | (10,162) | - | - | - |
| Supplementary Grant | - | 76,852 | (76,852) | - | - | - |
| Special educational projects | - | 68,256 | (68,256) | - | - | - |
| Early Years | - | 62,973 | (62,973) | - | - | - |
| Other Government grants | - | 5,395 | (5,395) | - | - | - |
| Recovery Premium | - | 17,352 | (12,894) | - | - | 4,458 |
| Other DfE/ESFA Covid funding | - | 16,066 | (16,066) | - | - | - |
| Other | - | 33,731 | (33,731) | - | - | - |
| Pension reserve | (829,000) | - | (8,000) | - | 962,000 | 125,000 |
| | 205,372 | 3,247,233 | (3,450,322) | 191,931 | 962,000 | 1,156,214 |

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

21. Statement of funds (continued)

| | Balance at 1 September 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 December 2022 £ |
|---|--|------------------|--------------------|--------------------------|-------------------------|---|
| Restricted fixed asset funds | | | | | | |
| Assets held for depreciation | 21,124,297 | - | (166,705) | 79,685 | - | 21,037,277 |
| Capital funds including CIF | 194,620 | 88,077 | - | (59,473) | - | 223,224 |
| Salix/CIF Loans | (272,940) | - | (234) | 7,704 | - | (265,470) |
| | <u>21,045,977</u> | <u>88,077</u> | <u>(166,939)</u> | <u>27,916</u> | <u>-</u> | <u>20,995,031</u> |
| Total Restricted funds | <u>21,251,349</u> | <u>3,335,310</u> | <u>(3,617,261)</u> | <u>219,847</u> | <u>962,000</u> | <u>22,151,245</u> |
| Total funds | <u>21,789,076</u> | <u>3,430,403</u> | <u>(3,689,536)</u> | <u>-</u> | <u>962,000</u> | <u>22,491,943</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 December 2022.

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

21. Statement of funds (continued)

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

| | <i>Balance at 1 September 2021</i> | <i>Income</i> | <i>Expenditure</i> | <i>Transfers in/out</i> | <i>Gains/ (Losses)</i> | <i>Balance at 31 August 2022</i> |
|------------------------------|--|------------------|---------------------|-----------------------------|----------------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | | |
| Unrestricted funds | 424,379 | 297,646 | (184,298) | - | - | 537,727 |
| Restricted funds | | | | | | |
| 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) |
| | <u>(3,788,967)</u> | <u>9,415,543</u> | <u>(10,152,469)</u> | <u>(459,735)</u> | <u>5,191,000</u> | <u>205,372</u> |

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

21. Statement of funds (continued)

**Restricted fixed
asset funds**

| | | | | | | |
|-------------------------------|--------------------------|-------------------------|----------------------------|-----------------|-------------------------|--------------------------|
| 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> |
| Total Restricted funds | <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> |
| Total funds | <u><u>17,637,895</u></u> | <u><u>9,868,452</u></u> | <u><u>(10,908,271)</u></u> | <u><u>-</u></u> | <u><u>5,191,000</u></u> | <u><u>21,789,076</u></u> |

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Period Ended 31 December 2022

21. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 December 2022 were allocated as follows:

| | 31 December 2022 £ | <i>31 August 2022 £</i> |
|--|---------------------------------------|---------------------------------|
| Culverstone Green Primary | 218,035 | 242,647 |
| Meopham Community Academy | 303,403 | 272,237 |
| Riverview Infant School | 283,008 | 339,310 |
| Riverview Junior School | 35,109 | 84,262 |
| Wrotham Road Primary | 606,515 | 604,816 |
| Central | (74,158) | 28,827 |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 1,371,912 | 1,572,099 |
| Restricted fixed asset fund | 20,995,031 | 21,045,977 |
| Pension reserve | 125,000 | (829,000) |
| | <hr/> | <hr/> |
| Total | 22,491,943 | 21,789,076 |
| | <hr/> <hr/> | <hr/> <hr/> |

The following academy is carrying a net deficit on its portion of the funds as follows:

| | Deficit £ |
|---------|----------------------|
| Central | (74,158) |
| | <hr/> <hr/> |

The Pathway Academy Trust merged with another Trust as of 1 January 2023, and doing so led to additional unforeseen expenditure being incurred by the central fund during December 2022. This was discussed and agreed by both Trusts.

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

The new merged Trust, The Golden Thread Alliance, will absorb the deficit funds from 1 January 2023.

THE PATHWAY ACADEMY TRUST
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Notes to the Financial Statements
For the Period Ended 31 December 2022

21. Statement of funds (continued)

Total cost analysis by school

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 4 months ended 31 December 2022 £ | Total Year ended 31 August 2022 £ |
|---------------------------------|---|--------------------------------------|------------------------------|---|--|---|
| Culverstone Green Primary | 234,669 | 43,231 | 24,621 | 60,481 | 363,002 | 1,029,722 |
| Meopham Community Academy | 479,541 | 64,134 | 53,961 | 130,294 | 727,930 | 1,994,439 |
| Riverview Infant School | 409,240 | 61,656 | 30,495 | 111,020 | 612,411 | 1,663,729 |
| Riverview Junior School | 559,547 | 65,763 | 49,095 | 137,596 | 812,001 | 2,228,247 |
| Wrotham Road Primary | 537,527 | 80,117 | 26,566 | 114,452 | 758,662 | 2,137,777 |
| Central | 51,314 | 123,711 | - | 73,800 | 248,825 | 1,329,699 |
| | <u>2,271,838</u> | <u>438,612</u> | <u>184,738</u> | <u>627,643</u> | <u>3,522,831</u> | <u>10,383,613</u> |

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 31 December 2022 £ | Restricted funds 31 December 2022 £ | Restricted fixed asset funds 31 December 2022 £ | Total funds 31 December 2022 £ |
|--|--|--|---|---|
| Tangible fixed assets | - | - | 21,037,277 | 21,037,277 |
| Current assets | 340,698 | 1,423,645 | 223,224 | 1,987,567 |
| Creditors due within one year | - | (392,431) | (24,987) | (417,418) |
| Creditors due in more than one year | - | - | (240,483) | (240,483) |
| Provisions for liabilities and charges | - | 125,000 | - | 125,000 |
| Total | <u>340,698</u> | <u>1,156,214</u> | <u>20,995,031</u> | <u>22,491,943</u> |

THE PATHWAY ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Period Ended 31 December 2022

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

| | <i>Unrestricted funds 31 August 2022 £</i> | <i>Restricted funds 31 August 2022 £</i> | <i>Restricted fixed asset funds 31 August 2022 £</i> | <i>Total funds 31 August 2022 £</i> |
|--|--|--|--|---|
| 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) |
| Total | 537,727 | 205,372 | 21,045,977 | 21,789,076 |

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

| | 4 months ended 31 December 2022 £ | Year ended 31 August 2022 £ |
|---|--|--|
| Net expenditure for the period (as per Statement of Financial Activities) | (259,133) | (1,039,819) |
| Adjustments for: | | |
| Depreciation | 166,705 | 524,658 |
| Capital grants from DfE and other capital income | (88,077) | (160,263) |
| Interest receivable | (74) | (240) |
| Defined benefit pension scheme cost less contributions payable | 8,000 | 879,000 |
| Decrease in debtors | 78,796 | 255,866 |
| Increase/(decrease) in creditors | 12,104 | (409,003) |
| Loss on the sale of fixed assets | - | 41,337 |
| Net cash (used in)/provided by operating activities | (81,679) | 91,536 |

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24. Cash flows from financing activities

| | 31 December 2022 | 31 August 2022 |
|--|---------------------------------|---------------------------|
| | £ | £ |
| Cash inflows from new borrowing | - | 113,316 |
| Repayments of borrowing | (7,470) | (18,564) |
| Net cash (used in)/provided by financing activities | <u>(7,470)</u> | <u>94,752</u> |

25. Cash flows from investing activities

| | 31 December 2022 | 31 August 2022 |
|--|---------------------------------|---------------------------|
| | £ | £ |
| Dividends, interest and rents from investments | 74 | 240 |
| Purchase of tangible fixed assets | (79,685) | (710,282) |
| Capital grants from DfE Group | 88,077 | 160,263 |
| Net cash provided by/(used in) investing activities | <u>8,466</u> | <u>(549,779)</u> |

26. Analysis of cash and cash equivalents

| | 31 December 2022 | 31 August 2022 |
|--|---------------------------------|---------------------------|
| | £ | £ |
| Cash in hand and at bank | 1,672,729 | 1,753,412 |
| Total cash and cash equivalents | <u>1,672,729</u> | <u>1,753,412</u> |

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27. Analysis of changes in net debt

| | At 1 September 2022 £ | Cash flows £ | At 31 December 2022 £ |
|--------------------------|--------------------------------|-----------------|--------------------------------|
| Cash at bank and in hand | 1,753,412 | (80,683) | 1,672,729 |
| Debt due within 1 year | (28,414) | 3,427 | (24,987) |
| Debt due after 1 year | (244,526) | 4,043 | (240,483) |
| | <u>1,480,472</u> | <u>(73,213)</u> | <u>1,407,259</u> |

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

| | 31 December 2022 £ | 31 August 2022 £ |
|--|-----------------------------|------------------------|
| Contracted for but not provided in these financial statements | | |
| Acquisition of tangible fixed assets | <u>54,535</u> | <u>-</u> |

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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 period amounted to £288,940 (*year ended 31 August 2022 - £775,597*).

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 period ended 31 December 2022 was £209,000 (year ended 31 August 2022 - £587,000), of which employer's contributions totalled £167,000 (year ended 31 August 2022 - £464,000) and employees' contributions totalled £ 42,000 (year ended 31 August 2022 - £123,000). 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 period. 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

| | 31 December 2022 | 31 August 2022 |
|--------------------------------------|---------------------------------|---------------------------|
| | % | % |
| Rate of increase in salaries | 3.80 | 3.95 |
| Discount rate for scheme liabilities | 4.80 | 4.25 |
| Inflation assumption (CPI) | 2.80 | 2.95 |
| Commutation of pensions to lump sums | 50.00 | 50.00 |

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

| | 31 December 2022 | 31 August 2022 |
|-----------------------------|---------------------------------|---------------------------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 21.0 | 21.0 |
| Females | 23.5 | 23.5 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.3 | 22.3 |
| Females | 25.0 | 24.9 |

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30. Pension commitments (continued)

Sensitivity analysis

| | 31 December 2022 £000 | 31 August 2022 £000 |
|--|--|------------------------------------|
| Discount rate +0.1% | 5,678 | 6,457 |
| Discount rate -0.1% | 5,955 | 6,773 |
| Mortality assumption - 1 year increase | 5,965 | 6,801 |
| Mortality assumption - 1 year decrease | 5,669 | 6,430 |
| CPI rate +0.1% | 5,948 | 6,764 |
| CPI rate -0.1% | 5,685 | 6,466 |

Share of scheme assets

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

| | 31 December 2022 £ | 31 August 2022 £ |
|-------------------------------------|---------------------------------------|---------------------------------|
| Equities | 3,994,000 | 3,792,000 |
| Gilts | 36,000 | 33,000 |
| Other bonds | 782,000 | 765,000 |
| Property | 600,000 | 680,000 |
| Cash and other liquid assets | 90,000 | 98,000 |
| Absolute return fund | 438,000 | 416,000 |
| Total market value of assets | 5,940,000 | 5,784,000 |

The actual return on scheme assets was £-34,000 (year ended 31 August 2022 - £-71,000).

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

| | 4 months ended 31 December 2022 £ | Year ended 31 August 2022 £ |
|---|--|--|
| Current service cost | (163,000) | (1,259,000) |
| Interest income | 82,000 | 93,000 |
| Interest cost | (93,000) | (174,000) |
| Total amount recognised in the Statement of Financial Activities | (174,000) | (1,340,000) |

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30. Pension commitments (continued)

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

| | 31 December 2022 £ | <i>31 August 2022 £</i> |
|------------------------|---------------------------------------|---------------------------------|
| At 1 September | 6,613,000 | <i>10,511,000</i> |
| Current service cost | 163,000 | <i>1,259,000</i> |
| Interest cost | 93,000 | <i>174,000</i> |
| Employee contributions | 42,000 | <i>123,000</i> |
| Actuarial losses | (1,078,000) | <i>(5,355,000)</i> |
| Benefits paid | (18,000) | <i>(99,000)</i> |
| At 31 December | <u>5,815,000</u> | <i><u>6,613,000</u></i> |

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

| | 31 December 2022 £ | <i>31 August 2022 £</i> |
|------------------------|---------------------------------------|---------------------------------|
| At 1 September | 5,784,000 | <i>5,370,000</i> |
| Interest income | 82,000 | <i>93,000</i> |
| Actuarial gains | (116,000) | <i>(164,000)</i> |
| Employer contributions | 166,000 | <i>461,000</i> |
| Employee contributions | 42,000 | <i>123,000</i> |
| Benefits paid | (18,000) | <i>(99,000)</i> |
| At 31 December | <u>5,940,000</u> | <i><u>5,784,000</u></i> |

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Notes to the Financial Statements
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31. Operating lease commitments

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

| | 31 December 2022 £ | 31 August 2022 £ |
|--|---------------------------------------|---------------------------------|
| Not later than 1 year | 7,652 | 6,122 |
| Later than 1 year and not later than 5 years | 7,725 | 822 |
| | 15,377 | 6,944 |

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

| | 4 months ended 31 December 2022 £ | Year ended 31 August 2022 £ |
|-------------------------|--|--|
| Operating lease rentals | 2,038 | 7,029 |
| | 2,038 | 7,029 |

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 transactions have 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 £Nil (year ended 31 August 2022: £129) with Gravesham Excellence Cluster, a related party of Mrs Jane Partridge-Dyer, in relation to an education conference. As at 31 December 2022, no amounts were outstanding (year end 31 August 2022: £Nil).

The academy trust received income of £11,015 (year ended 31 August 2022: £Nil) from The Golden Thread Alliance (formerly known as The Galaxy Trust), a related party of Nicole Caulfield, in relation to merger expenses, no amounts were outstanding (year ended 31 August 2022: £Nil).

The academy trust received £250 (year ended 31 August 2022: £Nil) from Andrya Norris, a member of key management personnel, in relation to the sale of IT equipment. As at 31 December 2022, no amounts were outstanding (year end 31 August 2022: £Nil).

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34. Post balance sheet events

On 1 January 2023 The Pathway Academy Trust merged with The Galaxy Trust to form The Golden Thread Alliance. The transfer included all educational operations including staff members via TUPE, fixed assets, local government pension scheme assets and closing net book values respectively.

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.