

Company Registration Number: 09692191 (England & Wales)

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Annual report and financial statements

For the Year Ended 31 August 2020

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

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VERITAS MULTI ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Chris Coyston Mrs Gillian Rowland Miss Louisa Horner Mr Cliff Collins
Trustees	Mr Chris Coyston, Chair (resigned 7 January 2020) ¹ Mr Douglas Price, Vice Chair (resigned 11 March 2020) Mr Graham Chisnell ¹ Mrs Alison Moon ¹ Dr Patricia Driscoll (resigned 14 July 2020) Mr Simon Smith ¹ Mr Louie Werth Mr Gary Bristow, (appointed Chair 8 January 2020) ¹ Mrs Tamzin Wood (appointed 1 April 2020) Mrs Anna Louise Johns (appointed 20 May 2020) Mr Richard Morris (appointed 14 July 2020) Mrs Angela Parkes (appointed 11 December 2019)
	¹ Finance and General Purposes committee
Company registered number	09692191
Company name	Veritas Multi Academy Trust
Principal and registered office	Warden House Primary School Birdwood Avenue Deal Kent CT14 9SF
Company secretary	Mrs Alison Moon
Chief executive officer	Mr Graham Chisnell
Senior management team	Executive Headteacher / CEO (AO), Mr Graham Chisnell Trust Business Manager (CFO), Mrs Alison Moon Headteacher, Miss Anne-Marie Middleton Headteacher, Mr Rob Hackett
Independent auditors	Williams Giles Professional Services Ltd Chartered Accountants and Registered Auditors 12 Conqueror Court Sittingbourne Kent Me10 5BH
Bankers	Lloyds Bank Plc 43 Sandgate Road Folkestone Kent CT20 1RZ

VERITAS MULTI ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
For the Year Ended 31 August 2020

Solicitors	Winkworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB
Surveyors	Barker Associates LLP Majesty House, Avenue West Skyline 120 Braintree Essex CM77 7AA

VERITAS MULTI ACADEMY TRUST
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Trustees' report
For the Year Ended 31 August 2020

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

The academy trust operates 2 primary academies in Deal and Canterbury, Kent. Its academies have a combined pupil capacity of 765 and had a roll of 675 in the school census on 15 October 2020 (Summer Census cancelled so data pulled from Autumn 2020 data).

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

The charitable company operates as Veritas Multi Academy Trust.

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

b. Members' liability

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

c. Trustees' indemnities

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

VERITAS MULTI ACADEMY TRUST
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Trustees' report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

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

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

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

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

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

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

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

e. Policies adopted for the induction and training of Trustees

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

VERITAS MULTI ACADEMY TRUST
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Trustees' report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

f. Organisational structure

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

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

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

During the year of reporting Williams Giles were appointed to carry out a programme of Internal Scrutiny.

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

Pay ranges are set for the CEO, Trust Business Manager and staff on the leadership scale by trustees and pay awards through the appraisal process. Decisions for pay awards for the CEO are commended by the Pay Review Group, supported by an external consultant, and approved by the Board of Trustees annually. The CEO undertakes appraisal and pay awards for all staff on the leadership scale and the Trust Business Manager. Pay awards for staff on the leadership scale are set and approved by the Board of Trustees. The CEO quality assures the pay awards commended by the headteachers and trust business manager for the remaining staff and the process is scrutinised by the Regional Governing Body and Pay Review Group and reported to the Board of Trustees. Pay ranges for executive trust staff have been benchmarked against national indicators.

VERITAS MULTI ACADEMY TRUST
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Trustees' report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	3,015,555
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Objectives and activities

a. Objects and aims

Veritas MAT is currently a trust with two academies. The trust has been awarded sponsor status and created a range of professional networks including the Chartered College of Teaching, Kent MAT Alliance and the CEO is a National Leader of Education. Our mission statement is "irresistible learning for all". This strategic plan is formed in the light of the complexities created by Covid-19 while maintaining a momentum on the key priorities for trust and schools.

The trust has three key values:

Inclusive – we believe we are stronger together. We celebrate diversity and create an environment where differences in gender, culture, disability and educational needs are embraced and celebrated.

Innovative – we build a culture where staff are excited about research-informed practice

Inspirational – we aspire for greatness by building strong relationships through a culture of coaching to celebrate success and support improvement.

VERITAS MULTI ACADEMY TRUST
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Trustees' report (continued)
For the Year Ended 31 August 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

1. Strengthen academic standards within trust academies through high-quality teaching, an irresistible curriculum and highly effective leadership.

It is the vision of Veritas MAT that our schools will have great leadership that will support the strengthening of the quality of education for all. Through the support of the trust and collaboration across schools within the trust we will ensure our schools provide an irresistible curriculum that helps our children to know more and remember more. With the backdrop of a new Education Inspection Framework, we will ensure our school leaders and governance aligns to the new expectations, strengthening outcomes for our pupils and inspection.

2. Grow the trust to ensure it remains future proof and failsafe.

Through the meaningful building of relationships across schools in our community, Veritas Trust will gather like-minded schools within our trust. In particular, schools that resonate with our ethos of being inclusive, innovative and inspirational will be encouraged to join the trust to bring increasing diversity and capacity to our schools. We will continue to refine our five-year vision to ensure our strategic planning takes into account the key global issues ahead.

3. Refine management information systems across the trust to strengthen accountability.

Building on the management information systems used by the trust, we will continue to strengthen accountability for our trust and schools. We will build bespoke systems to navigate and simplify key tasks undertaken across our schools to increase efficiency and connect staff. The Business Team structure has been revised across the trust. Teams are now working with a trust focus ensuring alignment of practice. This year will see a drive to improve consolidated reporting to the Trust Board enabled by the development of bespoke MIS across business areas including Finance, HR and Infrastructure. There will be a shift from historic, archaic paper-based systems to more streamlined e-systems that support the trust executive need to work across various locations.

4. Strengthen research-informed practice across the trust.

Building on our exemplary practice in research-informed practice, we will train staff across the trust in research methodology. Being innovative is a core value of the trust and drives our approach to staff development through a deep commitment to being research active. We have developed this highly effective model over time and research is encouraged through appraisal and celebrated through our publications and presentations. We need to embed this culture in our trust schools and ensure our great practice is shared more widely with potential joining schools. We have appointed a Research Champion to the trust staff and while this has provided positive support for staff in developing research informed appraisal targets, more now needs to be done to ensure staff are equipped with research methodology to ensure their research has the best impact on the quality of provision across the trust. There is a national drive to engage in research-based practice and the trust is well poised to capitalise on this as we have embedded practice in research.

c. Public benefit

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

VERITAS MULTI ACADEMY TRUST
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Trustees' report (continued)
For the Year Ended 31 August 2020

Achievements and performance

a. Key performance indicators

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

Total on roll: 444
 Eligible for free school meals: 32%
 English as an additional language: 1%
 Attendance 2018-19 96.3% (2019-20 not reported due to the pandemic)
 Persistent absence 2018-19 9.2% (2019-20 not reported due to the pandemic)

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

Total on roll: 235 (including 26 children in the nursery unit)
 Eligible for free school meals: 48.9%
 English as an additional language: 32.3%
 Attendance 2018-19 94% (2019-20 not reported due to the pandemic)
 Persistent absence 2018-19 19% (2019-20 not reported due to the pandemic)

	Trust (2019)	National (2019)
Early Years GLD	71%	71.8%
Exceeding or expected writing goals	71%	73.4%
Exceeding or expected number goals	78%	78.4%
Exceeding or expected reading goals	71%	80%
Year 1 phonics	71%	82%
Key stage 1 reading expected	73%	74.9%
Key stage 1 writing expected	66%	69.2%
Key stage 1 maths expected	72%	75.6%
Key stage 2 reading, writing, maths expected	58%	78%
Key stage 2 reading expected	66%	73%
Key stage 2 writing expected	70%	78%
Key stage 2 maths expected	72%	79%

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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

Financial review

a. Financial Review

Most of the Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE for the period 1st September 2019 through to 31st August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities. The Academy Trust also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy Trust's accounting policies. During the year ended 31 August 2020, total expenditure of £4,292,400 was covered by recurrent grant funding from the DfE £3,232,196, together with other incoming resources of £900,808. The excess of income over expenditure for the year (excluding restricted fixed asset and pension funds) was £157,803. At 31 August 2020 the net book value of fixed assets was £6,444,585 and movement 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 Academy Trust.

b. Reserves Policy

The trustees review the reserve levels of the academy trust annually.

This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should be equivalent to 4 weeks expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £699,474 (2019 - £458,914).

c. Investment Policy

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

d. Principal Risks and Uncertainties

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

Fundraising

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

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

Plans for future periods

The trustees have continued to develop their strategic five-year vision. The five-year strategic vision takes into account five global issues: funding, social-emotional mental health, technology overload, equality and climate change. Through these five lenses, the trust has developed a strategic plan to ensure these five challenges help form the operational plan for the trust and schools. Trustees continue to work on trust growth and expect to grow by one school in the next academic year.

The trust has built a semi-centralised finance and HR team, in addition we have appointed team leaders across the trust to develop the capacity for growth, led by our Trust Business Manager an ISBL Fellow. Our vision is to support academies to join the trust, enabling an infrastructure where the MAT can build a robust group of academies to support a sponsored academy. Academies will be primary phase as this reflects the skill set and expertise of existing trust staff, members and trustees. The CEO is a National Leader of Education, Fellow of the Chartered College of Teaching and a lead Ofsted inspector, bringing a wealth of experience in school improvement to the trust. Warden House, as a National Support School, has been commissioned to support a number of schools in our locality.

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

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

Funds held as custodian on behalf of others

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

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
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20 January 2021 and signed on its behalf by:



Mr Gary Bristow
Chair of Trustees

VERITAS MULTI ACADEMY TRUST
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Governance Statement

Scope of responsibility

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

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

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Governance Statement (continued)

Governance

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

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

Trustee	Meetings attended	Out of a possible
Mr Chris Coyston	2	2
Mr Douglas Price	0	5
Mr Graham Chisnell	7	7
Mrs Alison Moon	7	7
Dr Patricia Driscoll	0	5
Mr Simon Smith	6	7
Mr Louie Werth	4	7
Mr Gary Bristow, (appointed Chair 8 January 2020)	7	7
Mrs Tamzin Wood	2	3
Mrs Anna Louise Johns	2	3
Mr Richard Morris	2	2
Mrs Angela Parkes	5	5

During the year of reporting governance has strengthened further and there is now distinct separation between the layers of governance; members, trustees and governors. Four new trustees has supported the transition of two trustees to Members or RGB and filling vacancies.

The board has added specific strategic planning sessions to the calendar, so far looking at risk profiling, setting trust objectives and setting the five year vision of the trust.

During the year of reporting a programme of Internal Scrutiny work was outsourced. It is planned to bring this in house and to be undertaken by the trust board in the 2020-21 year.

The trust board adapted to requirements during the pandemic in order to complete delayed processes such as budget forecasting. The board quickly moved to virtual meetings which are effective.

Data dashboards have been produced by the Executive Group and discussed by the board. One of the current year's objectives is to focus on MIS and reporting to the trust board to ensure this is effective for the trust to grow.

A skills audit is undertaken annually. Governance effectiveness is also considered annually as part of the School Resource Management Checklist submission.

The Business Group is a sub-committee of the main board of trustees. During the year A Parkes joined the group and was appointed Chair. As the membership of the Trust Board has grown it is intended to allocate trustees to sub-committees depending on skill set.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Chris Coyston	1	1
Mr Graham Chisnell	6	6
Mrs Alison Moon	6	6
Mr Gary Bristow	6	6
Mrs Angela Parkes	3	5

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

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Governance Statement (continued)

Review of value for money

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

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

- The Trust Business Structure is developing aligned processes, shared knowledge and understanding of academy requirements and legislation. Working collaboratively across the trust the team are taking the opportunity to seek best value when renewing contracts. Discounts and group procurement opportunities have also been secured through links with other KMA (Kent MAT Alliance) trusts.
- Value for money has also been seen with the sharing of expertise across trust schools of trust central staff.
- Integrated Curriculum-Led Financial Planning is integral to the budget setting process. This informs trust and school leaders when considering staffing structures and resource planning. Subject and team leaders in schools are also upskilling in this area in order to ensure that subject resourcing is appropriate and targeted to the pupils on roll. Finance personnel work with them to ensure best value when making purchases.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Veritas Multi Academy Trust for the period 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

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Governance Statement (continued)

The risk and control framework (continued)

The Board of Trustees has decided to buy-in an internal audit service from Williams Giles Professional Services Ltd (From September 2020, this will revert in-house, plans have been discussed by the trust board, a trustee has been tasked with devising a body of Internal Scrutiny works for the 2020-21 financial year).

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

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

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

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;

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

- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

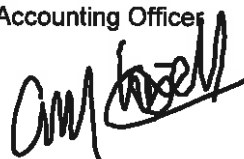
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 20 January 2021 and signed on their behalf by:

Mr Gary Bristow
Chair of Trustees



Mr Graham Chisnell
Accounting Officer



VERITAS MULTI ACADEMY TRUST
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Statement on Regularity, Propriety and Compliance

As accounting officer of Veritas Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



Mr G M Chisnell
Accounting Officer
Date: 20 January 2021

VERITAS MULTI ACADEMY TRUST
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Statement of Trustees' responsibilities
For the Year Ended 31 August 2020

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 20 January 2021 and signed on its behalf by:

Mr Gary Bristow
Chair of Trustees



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VERITAS MULTI ACADEMY TRUST
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Independent auditors' Report on the financial statements to the Members of Veritas Multi Academy Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of

Williams Giles Professional Services Ltd

Chartered Accountants and Registered Auditors

Statutory Auditors

12 Conqueror Court

Sittingbourne

Kent

Me10 5BH

Date: 28 January 2021

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

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

This report is made solely to Veritas Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Veritas Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Veritas Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Veritas Multi Academy Trust's funding agreement with the Secretary of State for Education dated 12 August 2015 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system 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

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Williams Giles Professional Services Ltd
Chartered Accountants and Registered Auditors
Statutory Auditors

Date: 28 January 2021

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and capital grants	4	9,888	-	211,251	221,139
Charitable activities		-	3,727,504	-	3,639,707
Other trading activities		165,125	-	165,125	158,892
Investments	7	807	-	807	772
Other income	8	-	18,429	-	-
Total income	175,820	3,745,933	211,251	4,133,004	4,089,597
Expenditure on:					
Raising funds		49,037	-	49,037	32,296
Charitable activities	10	-	3,951,913	291,450	4,243,363
Total expenditure		49,037	3,951,913	291,450	4,292,400
Net income/(expenditure)		126,783	(205,980)	(80,199)	(159,396)
Transfers between funds	22	(87,201)	169,958	(82,757)	-
Net movement in funds before other recognised gains/(losses)		39,582	(36,022)	(162,956)	(159,396)
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	29	-	(335,000)	-	(318,000)
Net movement in funds		39,582	(371,022)	(162,956)	(494,396)

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the Year Ended 31 August 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Note					
Reconciliation of funds:					
Total funds brought forward	462,233	(1,669,319)	6,602,923	5,395,837	5,615,820
Net movement in funds	39,582	(371,022)	(162,956)	(494,396)	(219,983)
Total funds carried forward	501,815	(2,040,341)	6,439,967	4,901,441	5,395,837

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

The notes on pages 27 to 54 form part of these financial statements.

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

Balance sheet
As at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	18	6,444,585	6,496,626
		<u>6,444,585</u>	<u>6,496,626</u>
Current assets			
Debtors	19	221,282	278,260
Cash at bank and in hand		684,584	485,873
		<u>905,866</u>	<u>764,133</u>
Creditors: amounts falling due within one year	20	(198,356)	(181,207)
Net current assets		<u>707,510</u>	<u>582,926</u>
Total assets less current liabilities		<u>7,152,095</u>	<u>7,079,552</u>
Creditors: amounts falling due after more than one year	21	(12,654)	(17,715)
Net assets excluding pension liability		<u>7,139,441</u>	<u>7,061,837</u>
Defined benefit pension scheme liability	29	(2,238,000)	(1,666,000)
Total net assets		<u><u>4,901,441</u></u>	<u><u>5,395,837</u></u>

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

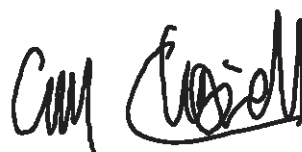
Balance sheet (continued)
As at 31 August 2020

	Note	2020 £	2019 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	22	6,439,967	6,602,923
Restricted income funds	22	197,659	(3,319)
Restricted funds excluding pension asset	22	6,637,626	6,599,604
Pension reserve	22	(2,238,000)	(1,666,000)
Total restricted funds	22	4,399,626	4,933,604
Unrestricted income funds	22	501,815	462,233
Total funds		4,901,441	5,395,837

The financial statements on pages 22 to 54 were approved by the Trustees, and authorised for issue on 20 January 2021 and are signed on their behalf, by:



Mr Gary Bristow
Chair of Trustees



Mr Graham Chisnell
Accounting Officer

The notes on pages 27 to 54 form part of these financial statements.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Statement of cash flows
For the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	24	231,123	83,189
Cash flows from investing activities			
Cash flows from investing activities	26	(27,351)	(115,420)
Cash flows from financing activities			
Cash flows from financing activities	25	(5,061)	-
Change in cash and cash equivalents in the year		198,711	(32,231)
Cash and cash equivalents at the beginning of the year		485,873	518,104
Cash and cash equivalents at the end of the year	27, 28	684,584	485,873

The notes on pages 27 to 54 form part of these financial statements

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2020

1. General information

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

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Other income**

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

2.4 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.5 Interest receivable

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

2.6 Taxation

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

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

2.7 Tangible fixed assets

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

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

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

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

Depreciation is provided on the following bases:

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2020

2. Accounting policies (continued)

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.

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 20 and 21. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

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.

VERITAS MULTI ACADEMY TRUST
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Notes to the financial statements
For the Year Ended 31 August 2020

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.

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

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.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2020

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 18 for the carrying amount of the property, plant and equipment, and note 2.7 for the useful economic lives for each class of assets.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2020

4. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	9,888	-	9,888	22,056
Devolved formula funding	-	16,062	16,062	47,510
Capital grants	-	195,189	195,189	220,660
	<u>9,888</u>	<u>211,251</u>	<u>221,139</u>	<u>290,226</u>
<i>Total 2019</i>	<u>22,056</u>	<u>268,170</u>	<u>290,226</u>	

5. Funding for the Academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant	2,626,602	2,626,602	2,764,312
Pupil premium	355,808	355,808	350,880
Other DfE/ESFA grants	249,786	249,786	211,412
	<u>3,232,196</u>	<u>3,232,196</u>	<u>3,326,604</u>
Other government grants			
SEN funding	373,506	373,506	-
Other government grants	33,089	33,089	313,103
Nursery funding	78,713	78,713	-
	<u>485,308</u>	<u>485,308</u>	<u>313,103</u>
Exceptional government funding			
Coronavirus exceptional support	10,000	10,000	-
	<u>3,727,504</u>	<u>3,727,504</u>	<u>3,639,707</u>
<i>Total 2019</i>	<u>3,639,707</u>	<u>3,639,707</u>	

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2020

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

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

- The funding received for coronavirus exceptional support covers £10k of additional cleaning and other health and safety related costs. These costs are included in note 11 below as appropriate.

6. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Hire of facilities	7,528	7,528	26,430
Uniform income	1,834	1,834	3,771
School trip income	39,466	39,466	38,863
Departmental income	116,297	116,297	89,828
	<u>165,125</u>	<u>165,125</u>	<u>158,892</u>
<i>Total 2019</i>	<u>158,892</u>	<u>158,892</u>	

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Interest received	807	807	772
	<u>772</u>	<u>772</u>	
<i>Total 2019</i>	<u>772</u>	<u>772</u>	

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8. Other incoming resources

	Restricted funds 2020	Total funds 2020	Total funds 2019
	£	£	£
Other income	18,429	18,429	-
	<u>18,429</u>	<u>18,429</u>	<u>-</u>

9. Expenditure

	Staff Costs 2020	Premises 2020	Other 2020	Total 2020	Total 2019
	£	£	£	£	£
Expenditure on raising voluntary income:					
Direct costs	-	-	49,037	49,037	32,296
Educational operations:					
Direct costs	1,808,770	-	131,285	1,940,055	2,590,207
Allocated support costs	1,438,268	290,044	574,996	2,303,308	1,369,077
	<u>3,247,038</u>	<u>290,044</u>	<u>755,318</u>	<u>4,292,400</u>	<u>3,991,580</u>
Total 2019	<u>3,201,255</u>	<u>284,012</u>	<u>506,313</u>	<u>3,991,580</u>	

10. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020	Total funds 2020	Total funds 2019
	£	£	£
Educational operations	4,243,363	4,243,363	3,959,284
	<u>4,243,363</u>	<u>4,243,363</u>	<u>3,959,284</u>
Total 2019	<u>4,243,363</u>	<u>4,243,363</u>	<u>3,959,284</u>

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11. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	1,940,055	2,303,308	4,243,363	3,959,284
<i>Total 2019</i>	<u>2,590,207</u>	<u>1,369,077</u>	<u>3,959,284</u>	

Analysis of direct costs

	Educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	1,785,287	1,785,287	2,464,648
Educational supplies	87,108	87,108	70,832
Staff development	8,328	8,328	19,677
Educational consultancy	35,849	35,849	27,208
Agency supply	23,483	23,483	7,842
	<u>1,940,055</u>	<u>1,940,055</u>	<u>2,590,207</u>
<i>Total 2019</i>	<u>2,590,207</u>	<u>2,590,207</u>	

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11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
LGPS costs	29,000	29,000	27,000
Staff costs	1,438,268	1,438,268	728,765
Depreciation	286,477	286,477	347,610
Recruitment and support costs	2,411	2,411	3,063
Maintenance of premises and equipment	45,253	45,253	58,025
Cleaning	21,624	21,624	19,010
Rent and rates	37,008	37,008	51,455
Energy costs	47,835	47,835	45,635
Insurance	12,717	12,717	15,420
Security and transport	22,904	22,904	16,914
Catering costs	114,027	114,027	127,522
Printing, postage and stationary	20,232	20,232	21,066
Other support costs	131,937	131,937	94,220
Restatement of fixed assets	=	-	(257,048)
Governance costs	93,615	93,615	70,420
	<u>2,303,308</u>	<u>2,303,308</u>	<u>1,369,077</u>
<i>Total 2019</i>	<u>1,369,077</u>	<u>1,369,077</u>	

12. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	<u>286,477</u>	<u>347,610</u>

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13. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the Academy's auditor for the audit of the Academy's annual accounts	10,650	10,650
Fees payable to the Academy's auditor in respect of:		
All taxation advisory services not included above	350	350
All assurance services not included above	1,350	1,350
All non-audit services not included above	5,250	9,740
	17,600	30,790

14. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	2,353,872	2,421,039
Social security costs	181,105	164,722
Pension costs	688,578	607,652
	3,223,555	3,193,413
Agency staff costs	23,483	7,842
	3,247,038	3,201,255

b. Staff numbers

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

	2020	2019
	No.	No.
Teachers	40	42
Support	95	86
Management	4	4
	139	132

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14. Staff (continued)

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £90,001 - £100,000	1	1
	1	1

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 £347,455 (2019 £323,015).

15. Central services

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

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

The Academy charges for these services on the following basis:

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

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Warden House	79,877	78,268
Pilgrims Way	55,853	64,729
Total	135,730	142,997

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16. Trustees' remuneration and expenses

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

		2020	2019
		£	£
Mr Graham Chisnell	Remuneration	90,000 - 95,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	10,000 - 15,000
Mrs Alison Moon	Remuneration	50,000 - 55,000	50,000 - 55,000
	Pension contributions paid	5,000 - 10,000	10,000 - 15,000

During the year ended 31 August 2020, expenses totalling £2,190 were reimbursed or paid directly to 2 Trustees (2019 - £NIL). The expenses reimbursed related to mileage claims for trustees who also have a paid role within the school.

17. Trustees' and Officers' insurance

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

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18. Tangible fixed assets

	Leasehold property £	Improv'mts to leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	6,498,904	360,838	314,832	156,298	7,330,872
Additions	-	204,464	13,232	21,713	239,409
Disposals	-	-	(3,410)	(2,380)	(5,790)
At 31 August 2020	<u>6,498,904</u>	<u>565,302</u>	<u>324,654</u>	<u>175,631</u>	<u>7,564,491</u>
Depreciation					
At 1 September 2019	746,592	24,056	32,078	31,520	834,246
Charge for the year	197,270	25,897	31,871	31,439	286,477
On disposals	-	-	(341)	(476)	(817)
At 31 August 2020	<u>943,862</u>	<u>49,953</u>	<u>63,608</u>	<u>62,483</u>	<u>1,119,906</u>
Net book value					
At 31 August 2020	<u>5,555,042</u>	<u>515,349</u>	<u>261,046</u>	<u>113,148</u>	<u>6,444,585</u>
At 31 August 2019	<u>5,752,312</u>	<u>336,782</u>	<u>282,754</u>	<u>124,778</u>	<u>6,496,626</u>

19. Debtors

	2020 £	2019 £
Due within one year		
Other debtors	92,451	89,240
VAT recoverable	26,162	73,042
Prepayments and accrued income	102,669	115,978
	<u>221,282</u>	<u>278,260</u>

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20. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	5,061	5,061
Trade creditors	38,677	19,078
Other taxation and social security	40,921	42,518
Other creditors	51,530	46,722
Accruals and deferred income	62,167	67,828
	198,356	181,207
	198,356	181,207
	2020 £	2019 £
Deferred income at 1 September 2019	43,213	59,331
Resources deferred during the year	30,086	43,213
Amounts released from previous periods	(43,213)	(59,331)
	30,086	43,213
	30,086	43,213

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals.

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

	2020 £	2019 £
Other loans	12,654	17,715
	12,654	17,715

Included within other loans is an interest free loan of £17,715 from Salix which is to be repaid by biannual instalments ending September 2023.

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For the Year Ended 31 August 2020

22. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	462,233	175,820	(49,037)	(87,201)	-	501,815
Restricted general funds						
General Annual Grant (GAG)	(3,319)	2,626,602	(2,595,582)	169,958	-	197,659
Pupil premium	-	355,808	(355,808)	-	-	-
Other DfE/ESFA grants	-	249,786	(249,786)	-	-	-
SEN	-	373,506	(373,506)	-	-	-
Other government grants	-	43,089	(43,089)	-	-	-
Nursery funding	-	78,713	(78,713)	-	-	-
Other restricted funds	-	18,429	(18,429)	-	-	-
Pension reserve	(1,666,000)	-	(237,000)	-	(335,000)	(2,238,000)
	(1,669,319)	3,745,933	(3,951,913)	169,958	(335,000)	(2,040,341)

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22. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Assets held for depreciation	6,191,533	-	(291,450)	544,502	-	6,444,585
Devolved formula funding	190,730	16,062	-	(206,792)	-	-
Capital grant income	220,660	195,189	-	(402,752)	-	13,097
Salix loans	-	-	-	(17,715)	-	(17,715)
	<u>6,602,923</u>	<u>211,251</u>	<u>(291,450)</u>	<u>(82,757)</u>	<u>-</u>	<u>6,439,967</u>
Total Restricted funds	<u>4,933,604</u>	<u>3,957,184</u>	<u>(4,243,363)</u>	<u>87,201</u>	<u>(335,000)</u>	<u>4,399,626</u>
Total funds	<u>5,395,837</u>	<u>4,133,004</u>	<u>(4,292,400)</u>	<u>-</u>	<u>(335,000)</u>	<u>4,901,441</u>

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

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

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

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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22. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Warden House Primary School	378,196	252,614
Pilgrims' Way Primary School & Nursery	197,629	145,484
Trust	123,649	60,816
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	699,474	458,914
Restricted fixed asset fund	6,439,967	6,602,923
Pension reserve	(2,238,000)	(1,666,000)
	<hr/>	<hr/>
Total	4,901,441	5,395,837
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Warden House Primary School	976,115	690,051	60,402	370,001	2,096,569	1,943,362
Pilgrims' Way Primary School & Nursery	735,516	480,723	26,292	216,206	1,458,737	1,463,259
Trust	73,656	267,494	414	109,053	450,617	237,349
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy	1,785,287	1,438,268	87,108	695,260	4,005,923	3,643,970
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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Notes to the financial statements
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22. Statement of funds (continued)

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

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Unrestricted funds						
Unrestricted funds	312,809	181,720	(32,296)	-	-	462,233
Restricted general funds						
General Annual Grant (GAG)	(8,304)	2,764,312	(2,759,327)	-	-	(3,319)
Pupil premium	-	350,880	(350,880)	-	-	-
Other DfE/ESFA grants	-	211,412	(211,412)	-	-	-
SEN	-	313,103	(313,103)	-	-	-
Pension reserve	(1,114,000)	-	(234,000)	-	(318,000)	(1,666,000)
	(1,122,304)	3,639,707	(3,868,722)	-	(318,000)	(1,669,319)
Restricted fixed asset funds						
Assets held for depreciation	6,282,095	-	(90,562)	305,093	-	6,496,626
Devolved formula funding	143,220	47,510	-	(84,433)	-	106,297
Capital grant income	-	220,660	-	(220,660)	-	-
	6,425,315	268,170	(90,562)	-	-	6,602,923
Total Restricted funds	5,303,011	3,907,877	(3,959,284)	-	(318,000)	4,933,604
Total funds	5,615,820	4,089,597	(3,991,580)	-	(318,000)	5,395,837

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23. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	6,444,585	6,444,585
Current assets	501,815	390,954	13,097	905,866
Creditors due within one year	-	(193,295)	(5,061)	(198,356)
Creditors due in more than one year	-	-	(12,654)	(12,654)
Provisions for liabilities and charges	-	(2,238,000)	-	(2,238,000)
Total	501,815	(2,040,341)	6,439,967	4,901,441

Analysis of net assets between funds - prior period

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

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

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of financial activities)	(159,396)	98,017
Adjustments for:		
Depreciation	286,477	347,610
Capital grants from DfE and other capital income	(211,251)	(268,170)
Interest receivable	(807)	(772)
Defined benefit pension scheme finance cost	237,000	234,000
Decrease/(increase) in debtors	56,978	(19,018)
Increase/(decrease) in creditors	17,149	(51,430)
Restatement of fixed assets	-	(257,048)
(Profit)/Loss on disposal of fixed assets	4,973	-
Net cash provided by operating activities	231,123	83,189

25. Cash flows from financing activities

	2020 £	2019 £
Repayments of borrowing	(5,061)	-
Net cash (used in)/provided by financing activities	(5,061)	-

26. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	807	772
Purchase of tangible fixed assets	(239,409)	(384,362)
Capital grants from DfE Group	211,251	268,170
Net cash used in investing activities	(27,351)	(115,420)

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27. Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash in hand	684,584	485,873
Total cash and cash equivalents	684,584	485,873

28. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	485,873	198,711	684,584
Debt due within 1 year	(5,061)	-	(5,061)
Debt due after 1 year	(17,715)	5,061	(12,654)
	463,097	203,772	666,869

29. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

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29. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £237,578 (2019 - £207,352).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £243,000 (2019 - £248,000), of which employer's contributions totalled £189,000 (2019 - £193,000) and employees' contributions totalled £ 54,000 (2019 - £55,000). The agreed contribution rates for future years are 22.5 per cent for employers and variable per cent for employees.

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

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

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29. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.7
Rate of increase for pensions in payment/inflation	2.25	2.2
Discount rate for scheme liabilities	1.6	1.85
Inflation assumption (CPI)	2.25	2.2

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.8	22.1
Females	23.8	24
<i>Retiring in 20 years</i>		
Males	23.2	23.7
Females	25.2	25.8

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	4,555	3,729
Discount rate -0.1%	4,784	3,891
Mortality assumption - 1 year increase	4,835	3,943
Mortality assumption - 1 year decrease	4,507	3,680
CPI rate +0.1%	4,773	3,818
CPI rate -0.1%	4,566	3,800

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29. Pension commitments (continued)

Share of scheme assets

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

	2020 £	2019 £
Equities	1,574,000	1,462,000
Gilts	16,000	15,000
Other bonds	314,000	193,000
Property	267,000	250,000
Cash and other liquid assets	74,000	57,000
Absolute return fund	185,000	166,000
Total market value of assets	2,430,000	2,143,000

The actual return on scheme assets was £166,000 (2019 - £88,000).

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

	2020 £	2019 £
Current service cost	(396,000)	(360,000)
Past service cost	-	(39,000)
Interest income	41,000	51,000
Interest cost	(70,000)	(78,000)
Total amount recognised in the Statement of financial activities	(425,000)	(426,000)

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

	2020 £	2019 £
At 1 September	3,809,000	2,929,000
Current service cost	396,000	360,000
Interest cost	70,000	78,000
Employee contributions	54,000	55,000
Actuarial losses	391,000	355,000
Benefits paid	(52,000)	(7,000)
Past service costs	-	39,000
At 31 August	4,668,000	3,809,000

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29. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	2,143,000	1,815,000
Interest income	41,000	51,000
Actuarial gains	56,000	37,000
Employer contributions	188,000	192,000
Employee contributions	54,000	55,000
Benefits paid	(52,000)	(7,000)
At 31 August	2,430,000	2,143,000

30. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	8,067	8,268
Later than 1 year and not later than 5 years	12,506	20,774
	20,573	29,042

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2020 £	2019 £
Operating lease rentals	8,469	8,975

31. Members' liability

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

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32. 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. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year £795 (2019: £2,200) was paid in respect of first aid training to Price and Price Associates, whereby, Douglas Price, a trustee, is a Director. No amounts were outstanding as at 31 August 2020 (2019 - £nil).

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

In entering into the transactions above, the academy trust has complied with the requirements of the Academies Financial Handbook.