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Company Registration Number: 07359755 (England & Wales)

The Thinking Schools Academy Trust
(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 August 2020



The Thinking Schools Academy Trust
(A company limited by guarantee)

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Reference and Administrative Details of The Trust, its Directors and Advisers For the year ended 31 August 2020

Members	Mr. P. Martin Mrs. S. Earle Mrs. D. Reed Mrs. J. Smith Mr. G. Lall
Directors	Mr. P. Martin, Chairman ^{1 2} Mr. M.R. Bailey ¹ Mr. S. Gardner, Chief Executive and Accounting Officer ¹ Mr. D. Morrison ² Mr. G. Newman ² Mr. L. Trimby (resigned 31 August 2020) ¹ Mrs. L. Randall Mr S. Geary Mrs R. Jordan-Evans Mr I. Mason (appointed 12 February 2020) Mr D. Lycett (appointed 1 September 2019) ¹ Member of Finance Committee ² Member of Audit Committee
Company registered number	07359755
Principal and registered office	The Thinking Schools Academy Trust Park Crescent Chatham Kent ME4 6NR
Company Secretary	Mr. L. Miller MBE
Chief executive officer	Mr. S. Gardner
Senior management team	Mr. S. Gardner, CEO and Accounting Officer Mr. L. Miller MBE, Deputy CEO Mr A. Gage, Director of Education (Chatham) Mr. G. Bassan, Director of Education (Kent) Mrs. J Murphy, Director of Education (Strood) Miss N. Sheppard, Director of Education (Portsmouth) Mr. D. High, Director of Service Delivery and Performance
Independent auditor	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants Registered Auditors Thames House Roman Square Sittingbourne Kent ME10 4BJ
Bankers	Nat West Bank Plc Maidstone Road Rochester Kent. ME1 3DY
Solicitors	Browne Jacobson 6th Floor, 77 Gracechurch Street London. EC3V 0AS

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Directors' Report
For the year ended 31 August 2020

The Directors present their annual report and auditors' report of The Trust for the year ended 31 August 2020.

The Trust operates twelve primary and five secondary academies in Kent and Portsmouth. Its academies have a combined pupil capacity of 10,000 and had a roll of 8,820 in the school census on October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust was incorporated on 27 August 2010 as a company limited by guarantee and an exempt charity. The memorandum and articles of association are the primary governing documents of The Trust. The memorandum and articles of association were amended on 11 January 2019.

Details of the Directors who served throughout the year, except as noted, are included in the Reference and Administrative Details.

Members' liability

Each member of The Trust undertakes to contribute to the assets of The Trust in the event of it being wound up whilst 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.

Directors and Governors' indemnities

The individual academies each maintain Governors' and officers' liability insurance which gives appropriate cover for any legal action brought against Governors, and against the Directors of The Trust. The Trust has also granted indemnities to each of its Directors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year and remain in force, in relation to certain losses and liabilities which the Directors, Governors or other officers may incur to third parties in the course of acting as Directors, Governors or officers of The Trust. Details of the insurance cover are provided in note 14 to the financial statements.

Principal activities

The Trust has expanded in the year to now control the activities of the following schools:

- The Rochester Grammar School;
- All Faiths Children's Academy;
- The Portsmouth Academy (previously known as Portsmouth Academy for Girls);
- Holcombe Grammar School (previously known as Chatham Grammar School for Boys);
- Gordon Children's Academy (Infant);
- Gordon Children's Academy (Junior);
- New Horizons Children's Academy;
- Newbridge Junior School;
- Isambard Brunel Junior School;
- The Victory Academy;
- Cedar Children's Academy;
- Meon Junior School;
- Moorings way Infant School;
- Penhale Infant School;
- Meon Infant School;
- Goodwin Academy;
- Meredith Infant School

All schools share a commitment to cognitive education and Thinking School status. Throughout the year ended 31 August 2020 The Trust's principal object and activity has therefore been to manage the schools within The Trust.

Method of recruitment and appointment or election of Directors

Under the terms of its Articles, when a Board of Directors has held ultimate responsibility for managing The Trust. This Board comprises the following:

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Directors' Report
For the year ended 31 August 2020

- 7 Directors appointed by members (one must include the Chair);
- 3 Directors appointed by Regional Governing Bodies; and
- 1 Directors appointed by their role.

No more than 1 Director can be salaried; details are provided in note 13 of the accounts.

Method of recruitment and appointment or election of Directors (continued)

A Director's term of office is four years (excluding the Chief Executive) but a Director is eligible for re-election at the meeting at which they retire.

Appropriate training is provided to all new Directors and Governors, as required.

During the year under review the Board of Directors alongside Regional Governing Body meetings which were held termly in each school. The training and induction provided for new Directors and Governors was dependent on their existing experience. Where necessary training was provided on charity and educational legal and financial matters. All new Governors were given a tour of their respective school and the chance to meet with staff and students. All Governors were provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as Governors.

Organisation structure

The Board of Directors retains the power to appoint Governors to Regional Governing Bodies. They also have a scheme of delegation that details the powers that can be given to individual governing bodies.

The Board of Directors has a Quality Assurance executive team that will review the performance of each academy and make recommendations to the Board about the level of delegated powers that should be given to each Regional Governing Body.

The Board has a number of committees that support the work of the board:

- The Audit Committee that is made up of non-executive Directors;
- A Finance Committee;
- An Operations Committee;
- An Executive Performance and Remuneration Committee that is made up of non-executive Directors;
- A Governance and Compliance Committee;
- A Curriculum and Assessment Committee; and
- A Strategic Committee.

Arrangements for setting pay and remuneration of key management personnel

The Board's Executive Performance and Remuneration Committee has delegated responsibility to oversee this area and specifically has the following responsibilities:

- To determine and agree with the Board the framework or broad policy for the remuneration of The Trust's Chief Executive Officer and such other members of the executive management of The Trust as it is designated to consider (senior executives);
- To determine The Trust-wide pay policy and oversee the process of moderation across The Trust;
- To ensure no senior executive, Director or Manager is involved in any decisions as to their own remuneration;
- To prepare and submit recommendations to the Trustees for the terms of service and remuneration (including pension arrangements) of the senior executives;
- To monitor, evaluate and report (as appropriate) to the Trustees on the performance of the Chief Executive;
- To approve appropriate remuneration packages for any new senior executive appointments;

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Arrangements for setting pay and remuneration of key management personnel (continued)

- Having regard to the charitable status of The Trust and in recognition of the fact The Trust receives funding under a funding agreement with the Secretary of State for Education, to ensure the remuneration or other sums paid to a Senior Executive do not exceed an amount that is reasonable in all the circumstances;
- To review and approve the design of, and determine targets for, any performance related pay schemes operated by The Trust and approve the total annual payments made under such schemes;
- To ensure that any termination packages including contractual terms and pension benefit entitlements do not reward failure and are fair to the individual and The Trust and comply with the obligations set out in the Academies Financial Handbook;
- To review and note annually the remuneration trends across The Trust;
- To oversee any major changes in employee benefits structures in The Trust;
- To agree the policy for authorising claims for expenses from the Senior Executives;
- To be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration or other consultants who advise the Committee. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

Total remuneration paid to Senior Management personnel is set out in note 11(e).

Trade union facility time

Relevant union officials:

<u>Number of employees who were relevant union officials during the year</u>	<u>Full time equivalent employee number</u>
17	17

Percentage of time spent on facility time:

<u>Percentage of time</u>	<u>Number of employees</u>
0%	-
1%-50%	17
51%-99%	-
100%	-

Percentage of pay bill spent on facility time:

Total cost of facility time	£1744
Total pay bill	£37,362,724
Percentage of the total pay bill spent on facility time	0.0046%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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Risk management

The Directors have assessed the major risks to which each academy and the overall Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy and its finances. Each academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Connected organisations, including related parties

Rochester Grammar School for Girls Charity is a separately registered charity, registration no. 307839. Its principal objects are the provision of items, services and facilities for the school by the making of grants to the school and individuals. This charity also owns the freehold to the school land and buildings, and leases this to The Trust on a 125 year lease at an annual peppercorn rent.

There is also a Parent-Teacher Association, The Rochester Grammar School Association, also established as a separately registered charity, registration number 803801, which organises various fundraising events to provide facilities for the pupils of The Rochester Grammar School.

Little Thinkers Nursery and preschool (previously known as Isambard Brunel Centre Ltd (registration 04671163)) is a company to which, from 18th June 2015, The Thinking Schools Academy Trust was appointed the sole member and four Directors were appointed that include Directors of The Trust. The company provides childcare and nursery provision to children below statutory school age.

Thinking Solutions for Education Ltd (registration 11463368) was established to provide services to other Academies and schools.

Engagement with employees (including disabled persons)

The Companies (Miscellaneous Reporting) Regulations 2018 introduce a requirement for companies with more than 250 employees to include a statement in their directors' (trustees') report summarising action taken during the period to introduce, maintain or develop arrangements aimed at:

- Providing employees with information on matters of concern to them
- Consulting employees or their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests
- Encouraging the involvement of employees in the company's performance
- Achieving a common awareness on the part of all employees of the factors affecting the performance of the company – The Trust.
- Its policy in respect of applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled persons.

The Department for Business, Energy and Industrial Strategy (BEIS) has published guidance to help companies understand how this affects them. The Charities Commission has also published a guide: Charities SORP Information Sheet 3: The Companies (Miscellaneous Reporting) Regulations 2018 and UK Company Charities.

Utilising The Trust website we are committed to sharing information with our staff on relevant matters, setting up secure access to staff areas on topics such as;

- Covid-19; we have published risk assessments and staff FAQs
- Mental Health and Wellbeing; we have our own Trust wellbeing pages for staff to access a range of resources and information
- Staff Consultations; pages for our support staff job evaluation process have been set up where key information, consultations videos and FAQs have been shared

We are able to share supplementary information and sign post staff back to our website through whole staff emails, we regularly send HR updates to staff on pay, policies, wellbeing, Covid-19 and any other items that may be relevant for them. Fortnightly the CEO sends out an all staff email; "Gardner's World" which provides staff with key information and updates about The Trust.

We are committed to regularly celebrating successes with staff, sharing good news stories, school results and activities schools have undertaken, this occurs fortnightly through Gardner's World and termly within the "Our Trust" publication.

The Trust commit to consult and negotiate on staff matters with the established Trusts JCNC that is made up of regional representatives from all recognized Trade Unions, this group meet three times a year and will consult and negotiate on matters such as pay and policies. In addition termly hub meetings have been established with local in-school union representatives, allowing an opportunity for local reps to feed in to the regional meetings but also discuss local issues or concerns.

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Equal opportunities

The Directors recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

All academies have made appropriate provisions for disabled persons. The policy of The Trust is to support recruitment and retention of students and employees with disabilities. Each academy does this by adapting the physical environment, by making support resources available and through training and career development.

Engagement with suppliers, customers and others in a business relationship with The Trust

The Trust ensures that business relationships with suppliers, customers and other key stakeholders are developed and maintained in a positive way that supports a mutually beneficial partnership. All suppliers are treated with fairness and equality; strict procurement procedures are followed to avoid undue bias or favouritism, payments are made to suppliers within agreed terms and relationships developed with suppliers to enhance the service received.

The Trust provide a wide-ranging package of sporting and venue facilities to the local community, such as a Gym, 3G football pitches, hall and conference room hire to name a few. Prices are competitive to make these services accessible and broaden the reach of our school facilities beyond the provision of education.

The Trust operates two trading subsidiaries, Little Thinkers, a nursery aged provision in Portsmouth and Thinking Solutions for Education (TSfE), an education services company offering a variety of educational services to Academy Trusts and schools throughout the country. This has enabled The Trust to share our knowledge and experience beyond our own schools to provide greater financial control across the sector.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object of The Trust is the provision of education for pupils aged between 3 and 19.

Objective, strategies and activities

The main objectives of The Trust during the year ended 31 August 2020 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of all academies by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To provide after school and weekend activities; and
- To conduct the academies' business in accordance with the highest standards of integrity, probity and openness.

Public benefit

All Academies within The Trust are state funded and strive to promote and support the advancement of education within the Medway and Portsmouth local authority areas.

The Trust has a letting policy that supports the use of our facilities for the local community and other public establishments. In all cases The Trust promotes below market rates to maximise the ability for small organisations to access this.

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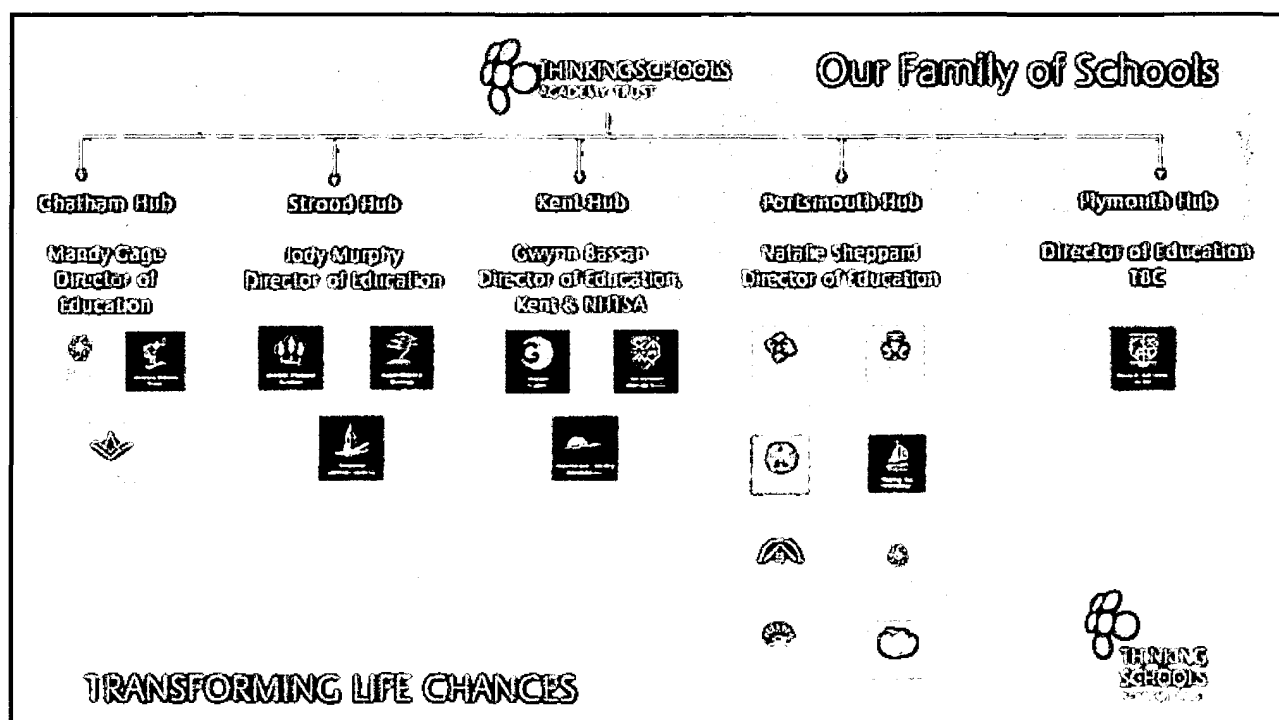
All our Academies are members of The New Horizons Teaching School Alliance which promotes outreach work and the wider recruitment and promotion of new teachers into the sector.

The Trust remains committed to the Arts and actively promotes our students to access extra curriculum activities and deliver exhibitions and concerts that the wider community can enjoy.

STRATEGIC REPORT

Achievements and performance

Composition of The Trust: At the start of 2019/20 we adjusted our management structure into Hubs led by local Directors of Education. This has been extremely effective in leveraging local support and resources to help improve education outcomes for all students. Towards the end of 2019/20 we confirmed that Plymouth High School for Girls would be seeking to join The Trust in 2020/21. Therefore, we are now looking to establish a Plymouth Hub with other local schools:



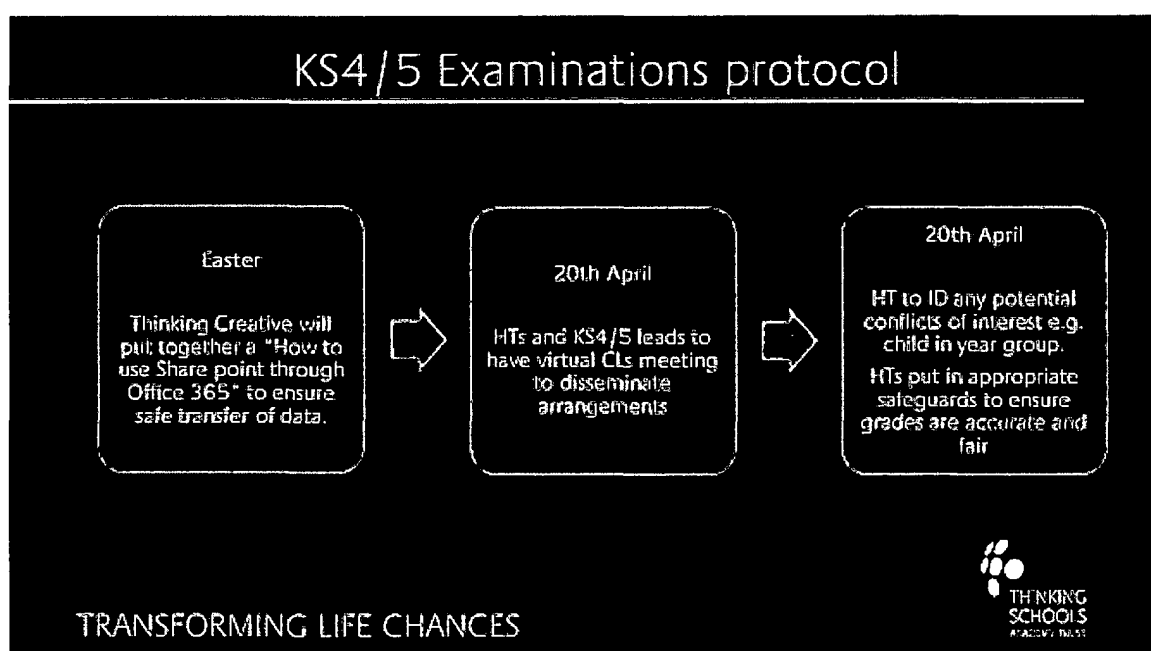
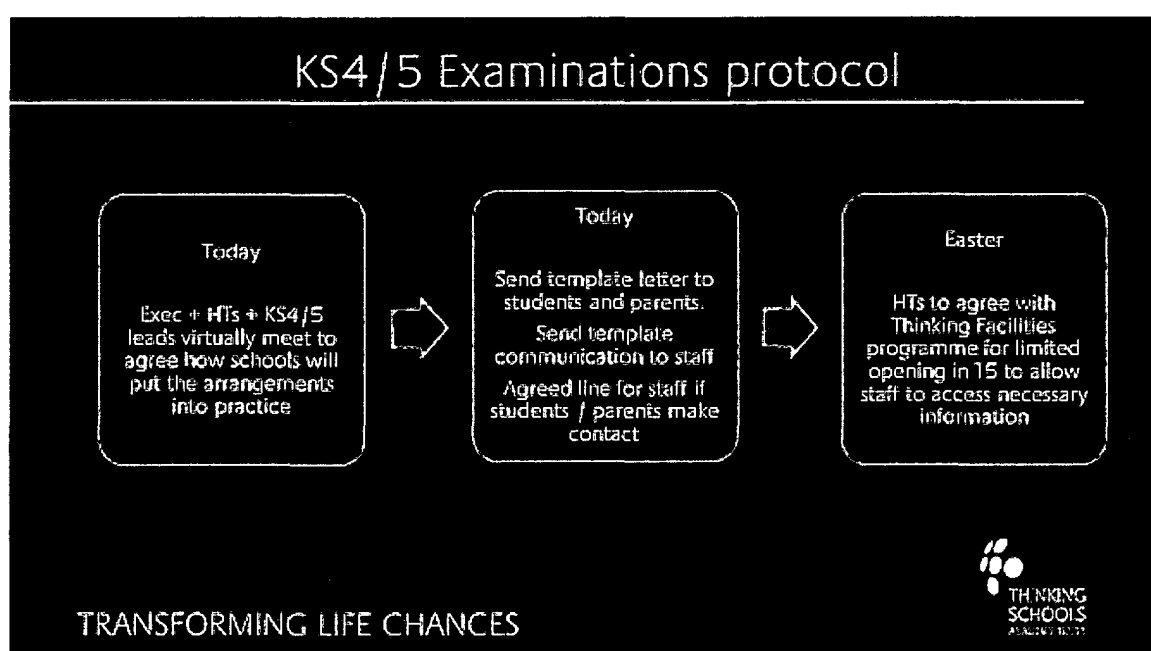
With Plymouth High Schools for Girls joining The Trust we will serve 9,500+ students and employ 1,300+ staff.

Directors' Report
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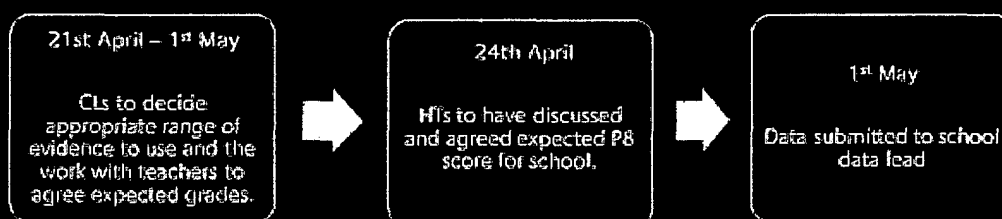
Academic Outcomes and Progress:

Due to the Covid-19 Lockdown in 2020 public examinations and SATs did not take place. The DfE asked secondary schools to assign grades to students and rank order the students within grades.

The Trust undertook a rigorous process in order to ensure that grades were fair and accurate that was outlined to the Trust leaders when the requirement was announced by the DfE. The following slides show the flow chart of actions that were undertaken to support this:



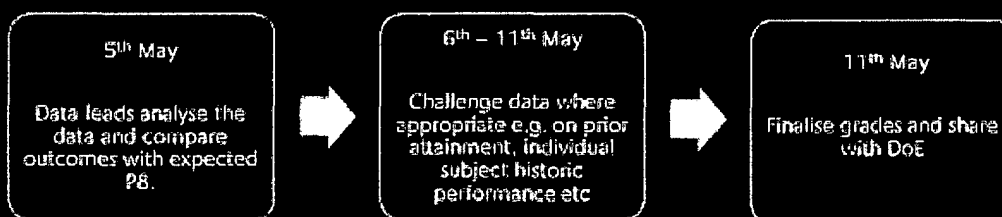
KS4/5 Examinations protocol



TRANSFORMING LIFE CHANCES

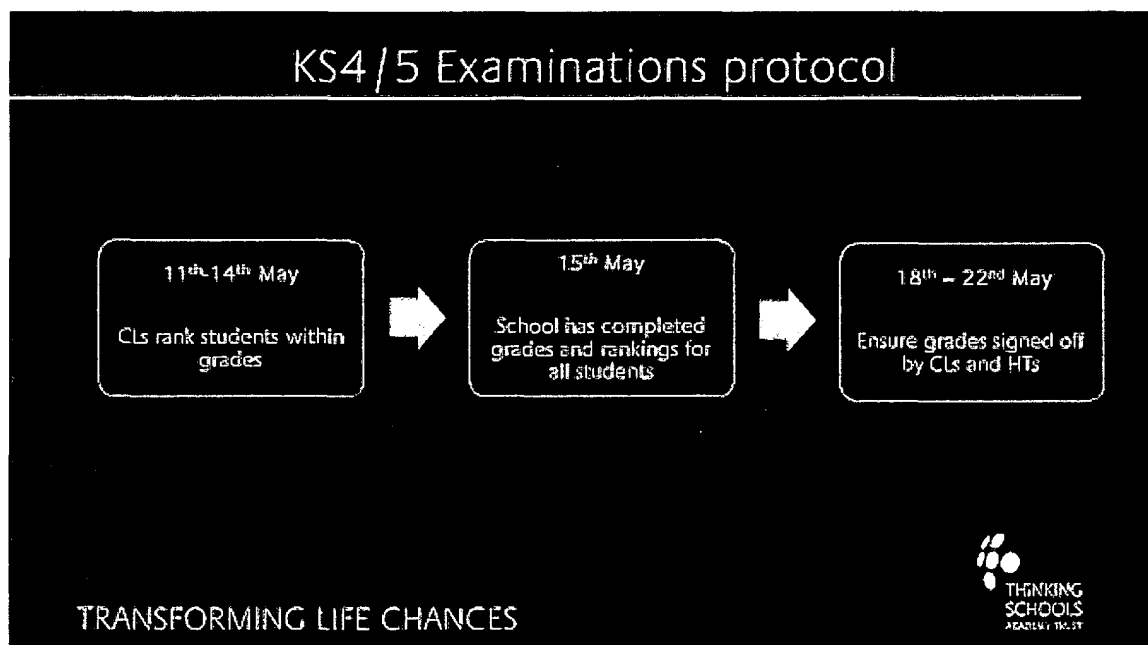


KS4/5 Examinations protocol



TRANSFORMING LIFE CHANCES





Student outcomes KS4:

	HGS	TVA	GA	RGS	TPA
A*/A (7+)	39	9.4	4.5	66	24
A*-C (5+) Strong pass (all qualifications)	87	40.6	34.0	98	58
A*-C (4+) Standard pass (all qualifications)	97	58.0	56.0	99	72
Basics (Eng/Ma 5+) Strong pass	86	23.0	13	98	46
Basics (Eng/Ma 4+) Standard pass	99	47.0	32	99	65
5 A*-C with Eng and Ma (based on 4+ in both Eng and Ma)	98	22.0	29	99	62
5 A*-C with Eng and Ma (based on 5+ in both Eng and Ma)	86	42.2	12.5	98	46

As this data was generated without the use of examinations there is no comparable progress data to report.

Student outcomes KS5:

A Level %	HGS	TVA	RGS	GWA
KS5 – A2 A*/A	32	19	41	4
KS5 –A2 A*-B	66	41	73	44
KS5 – A2 A*-C	84	70	92	76
KS5 – A2 A*-E	100	99	100	100

BTec %	HGS	TVA
KS5 – D*-D	80	34.6
KS5 –D*-M	100	76.9
KS5 – D*-P	100	100

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IB	RGS
Average	37/45
Grades 6-7	66%
Grades 5-7	97%
Grades 4-7	100%

As this data was generated without the use of examinations there is no comparable progress data to report.

Ofsted outcomes 2020/21:

During 2019/20 IBJ and AFS were inspected, both schools moved from RI to Good. AFS received an Outstanding for Personal Development.

For the first time all schools with an Ofsted rating in our Trust are judged as Good or better.

Ofsted Judgement of Trust Schools	Sept 2016	Sept 2017	Sept 2018	Sept 2019	Sept 2020
Outstanding	1 (9%)	1 (8%)	2 (13%)	2 (12%)	2 (13%)
Good	3 (27%)	9 (69%)	10 (63%)	12 (71%)	13 (81%)
Requires Improvement	3 (27%)	2 (15%)	2 (13%)	2 (12%)	0
Inadequate	0	0	0	0	0
No judgement	4 (36%)	1 (8%)	2 (13%)	1 (6%)	1(6%)

Provision of Education during Covid-19 Lockdown:

We are very proud of the provision we were able to provide for our students during the Lockdown period in the second half of the academic year 2019/20.

We were part of the 1% of schools able to transition to online live support for secondary schools from the start of the Lockdown. We used the Lockdown as a launch pad to accelerate our digital curriculum delivery plans and ensure that students would be able to access high quality education throughout 2020/21 regardless of the Covid-19 situation.

From the outset we set out clear objectives as part of our digital delivery strategy:

Establish foundations for our long term digital strategy:

- Teams as the single platform for digital delivery in secondary schools
- Creation of online courses accessible to students 24/7
- Support students to become effective digital learners and citizens
- Provide ongoing educational content delivery for students
- Prepare safety net for Yr5, 10 and 12
- Outreach / engagement programme for students unable or unwilling to access remote learning

Directors' Report
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Ensure students and teachers are equipped to be safe during this time of enhanced digital engagement.

We also established an ambitious timeline of actions to achieve our goals:

April/Early May 2020

Staff and Students are DigiSafe

- Teacher training/resources (union feedback & core expectations)
- Student 'Digital Citizen' campaign
- Teachers complete 3 hour training on keeping children safe on the internet

April/Early May 2020

Staff and Students have Access resolved and suitable training on available features of Teams

- Preparation for Distance Learning checklist
- Train teachers to use MS Forms to support Year 9 'retrieval' strategy
- Videos for students on Teams App etc
- Website 'report issues' is functional and has a team at the other end to resolve problems

May 2020

Teachers Trained on OneNote Class Notebooks so they can create interactive lessons and deliver personalized learning right from Teams. Modelled examples of 'Year 5/10/12 Online courses' so subject teams can then create their own

June 2020

Train teachers on end-to-end assignment management in Teams to enable them to move quickly and effortlessly from creation and distribution to grading and feedback

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July/August 2020

*Data Sync automatically populates
classes with student TT connected to
the school's information system.*

*Manage transition from SMHW and
Edmodo*

September 2020

*Launch student training on full use of Teams in
all secondary schools and participating
primaries (Y5+)*

Safeguarding during Covid-19 Lockdown:

We were very clear in our ambition to ensure that students remained safe even when they were not in school. Therefore, we have had to provide safeguarding support through different mechanisms. This has included:

- Providing a safeguarding reporting button on our school websites to enable students to access help.
- Support staff making regular contact with students by phone and speaking to the child. For those with social workers this contact is weekly or more if required.
- Recognition of those families that are vulnerable but have not yet reached social care threshold with support being given at the same level.
- Creating safety plans with the students (age appropriate) to ensure they know how to seek help if required e.g. code words, ensuring the young person has the social workers phone number etc.
- Weekly contact with social workers to discuss cases; Medway RAG rate cases with daily reports whilst Portsmouth have virtual hubs and assigned social workers for each school with pre booked meetings
- Information on each schools own website as well as The Trust website of organisations that provide support for things like Mental Health, Online Safety
- Referrals to a range of support agencies including benefits, food banks, support workers etc.
- Advice regarding Safe and Curious Conversations for Professional issued by PCC but shared with all The Trust DSL's
- Twice weekly teams meetings with DSL's and Lee Lucas offering support, guidance and supervision. Brief update then sent to Head Teachers
- Whilst the Government have relaxed the requirement for 2 yearly refresher training if staff are unable to access during Covid-19, DSL training has been delivered via teams increasing the amount of staff trained and keeping staff up to date and in statutory time frame.
- COVID-19 Annex written and available on every schools website as well as The Trust website. Via Safeguard this has also been sent to all school staff with DSL's motioning staff to ensure it is read.
- All actions taken are recorded on Safeguard which has proved invaluable during Covid-19

We have been commended by all LA's we work with about the quality of safeguarding support we have provided during the Lockdown period.

Thinking Accreditation – Exeter University:

We are the only Multi-Academy Trust committed to the use of metacognition in the classroom, all our schools work towards Thinking Accreditation through Exeter University, The Trust schools currently represent 1/3 of all accredited Thinking Schools in England.

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School	Accreditation status	Years in The Trust
AFS	Accredited Thinking School	9
CED	Accredited Thinking School	4
GA	Working towards	2
GOR	Accredited Thinking School	5
HGS	Accredited Thinking School	6
MIS	Working towards	2
MJS	Working towards	3
MWI	Working towards	3
NHM	Accredited Thinking School	5
NHP	Accredited Thinking School	5
NJS	Accredited Advanced Thinking School	5
PEN	Working towards	2
RGS	Accredited Advanced Thinking School	9
TPA	Accredited Advanced Thinking School	6
VIC	Accredited Thinking School	5

Celebratory Achievements:

Challenges are what make life interesting and overcoming them is what makes life meaningful. Even though all of our schools were navigating the new lockdown challenges Covid-19 threw their way, fun, commitment and achievements were still had.

Throughout Lockdown teachers at New Horizons Children's Academy continued to engage their pupils in P.E. lessons – setting personal challenges to stay fit and healthy, this commitment saw the Academy awarded both the Virtual and Recognition School Games Awards for 2019/2020.

The Medway Victory Sea Cadets still kept to their parade traditions and drumming practice through the use of Zoom, with older cadets going on to complete their Bronze Duke Of Edinburgh and BTEC level1.

Lockdown also saw community spirit soar, helping others to understand the importance of being kind and self-acceptance, no one knows the struggle others are going through. To encourage this message all 16 schools across The Trust contributed to the #BeKind video. Performing the hit song *This Is Me*, from movie *The Greatest Showman*, the 4-minute long video has had over 20,000 views on Facebook and 1.9k on Youtube.

Inclusion was the underlying message, with students singing, performing, and signing from 4 years old to 18 years old. Take a look, simply type *#bekind – This Is Me* into Google.

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Behind the scenes The Portsmouth Academy were recognised by the University of Exeter as a 'Thinking School', with The University of Exeter's report stating: 'Students are confident in using the Thinking Tools effectively to help scaffold their own learning.'

In addition, All Faiths Children's Academy was rated 'outstanding', with Ofsted describing it as "highly inclusive" and a "happy and safe place to be."

The launch day for New Horizons Primary School, Portsmouth went off with a bang! While social distancing measures were in place, the welcome back to pupils was celebrated with fun selfie boards, bubble machines and an amazing cake to cut and mark the occasion.

Extracurricular wins were the order of the day when Y7 and Y8 students at Rochester Grammar School cleaned up at the annual UKMT Junior Mathematical Challenge, proudly bringing home two Gold Awards along with 'Best in School' and 'Best in Year' awards. More impressive as only 7% of entrants receive gold awards – well done RGS!

All Faiths Children's Academy Year 6 pupils won the Pitch IT Focus on Diversity event in Medway and Meon Junior won Portsmouth City Council's Recycling competition, in recognition of the many initiatives put in place by the school Eco Council, especially Year 6 Eco Warriors, Casey and Maggie.


Fundraising, as always, is the background to The Trust schools, Cedar Children's Academy raised £356 for NSPCC to promote maths. Rochester Grammar School performed their 10th annual charity Flair dance show with over 80 students taking part, raising over £2900 for Parkinsons UK, and Goodwin academy took part in the Sport Relief Mile, raising £383.30.


It didn't end there, Ms Burton of The Portsmouth Academy raised over £750 for a local charity; The Chestnut Tree House Children's Hospice in Sussex, after swimming a whopping 32km – the same distance as across the English Channel!

Students and staff from Rochester and Holcombe Grammar School were the overall top fundraising team for the Where's Wally? fun run in March 2020, raising an incredible £671, which, with gift aid totalled £731 – enough to cover the cost of a Literacy Toolkit to support the literacy skills of disadvantaged primary school children, and a brave young student from The Portsmouth Academy 'braved the shave'. Sarah smashed her £500 target and raised £1,131.73.

Plus, the National Press came knocking and The Trust was handpicked for a campaign by the DfE, focusing on how secondary schools have safely and successfully opened their doors post lockdown. The feature was across all national newspaper titles both in print and online. This is a great recognition, one that resonates across all of our schools.

Central success 2019/20 and Plans 2020/21:

 THINKING financial	
<u>Achievements in 19/20</u> <ul style="list-style-type: none">• Working with and supporting Academies to ensure a Trust-wide balanced budget with healthy reserves were agreed by the Board for 20/21• Established and managed Service drive Teams to improve service performance and communication between Academies and Central Service Teams• Successful external audit and production of financial statements with only a couple of minor audit recommendations	<u>Plans for 20/21</u> <ul style="list-style-type: none">• Ensure all schools have access to PS Purchasing for direct access to ordering and budget reporting• Develop reporting from IRIS Analytics software to provide a greater insight to financial, staffing and student data• Secure further external contracts to generate income for TSAT

 **THINKING SCHOOLS**
PEA-11611-100.51



THINKING personnel

Achievements in 19/20

- Completion of first mock ICO Audit, GAP analysis completed feeding into action plan for ICO audit 2020/2021
- Completion of a successful electronic online Safeguarding system across all TSAT schools
- Robust systems, processes and procedures in place to enable Schools to continue recruiting and on-boarding effectively for September

Plans for 20/21

- The development of a wellbeing and mental health strategy for all stakeholders across the Trust
- Assurance systems introduced for all areas of compliance and legislation across the trust
- Development and awareness of Equality and Diversity across the Trust including a E&D external review and Diversity panel



THINKING
SCHOOLS
ACADEMY TRUST



THINKING technology

Achievements in 19/20

- Completion of the deployment of the Trust Single Network (TSN) into all TSAT Schools, by on boarding MER, RGS, TVA and GWA
- Response to lockdown to support distance learning:
 - launch of Microsoft Teams to Secondary Schools
 - Reconfiguration of Student devices to be loaned to Staff
 - launch of remote desktop service to support Staff access applications and resources from home
- Completion of over 60 projects during the summer holiday to improve access to IT and performance of equipment:
 - Commissioning of Portsmouth Academy Phase 2 building
 - Procurement & Configuration of new devices funded from Pot4 (HGS & TVA Staff Laptops, 160+ new Student Laptops for TPA & NHCA, 100 new iPads for NUS, NHP & NHCA)
 - Amalgamation of New Horizons Primary Portsmouth, delivering a new telephone system to support communication between School buildings, SMS database merge and launch of new website

Plans for 20/21

- Establishment of new hub in the South West & migration of PHSC onto the TSN
- Renewal of Trust's broadband contract, and launch of new Internet Filtering solution to provide consistent and safe filtering solution to devices anywhere & anytime (to support 1-1 device rollout)
- Continued development of the Trust's digital strategy to explore 1-1 devices and preparation for any future lockdown (utilising Pot4 to procure & configure Teaching Staff at RGS with Laptops and providing O365 accounts for Primary School Students)



THINKING
SCHOOLS
ACADEMY TRUST



Achievements in 19/20

- Managed Coronavirus response from a facilities and H&S perspective with risk assessments drawn up, control measures put in place in every school and frequent communication to Headteachers.
- Led on various capital projects through Summer 2020 – e.g. reception at New Horizons Primary; Hall floor at Cedars; heating replacement at HGS
- Established a Asset Management Plan (AMP) from condition surveys across all sites to ensure repairs budget targets areas identified on a long term plan.

Plans for 20/21

- Continue to monitor Coronavirus situation across the educational sector to ensure facilities are in readiness for any changes to controls.
- Establishment of new hub in the South West
- Lead on Pot 4 refurbishment across all TSAT schools in conjunction with Headteachers and Executive Business Managers



Achievements in 19/20

- Come March 20 we were approaching record numbers – 600 members.
- Deficit had been cleared and healthy income budgeted.
- Successful re-open of facility in July.
- Staff successfully supporting other areas of the business during initial Covid months.
- Successful holiday camps with plans to expand in 20/21


Plans for 20/21

- Develop a new management model with a four person management team.
- Build member numbers back to pre-covid total whilst also ensuring we provide a clean and comfortable environment for existing members.
- For summer 2021 equipment and layout improvements.
- Build the business model for RCS & Maritime Thinking Fitness'




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Directors' Report
For the year ended 31 August 2020

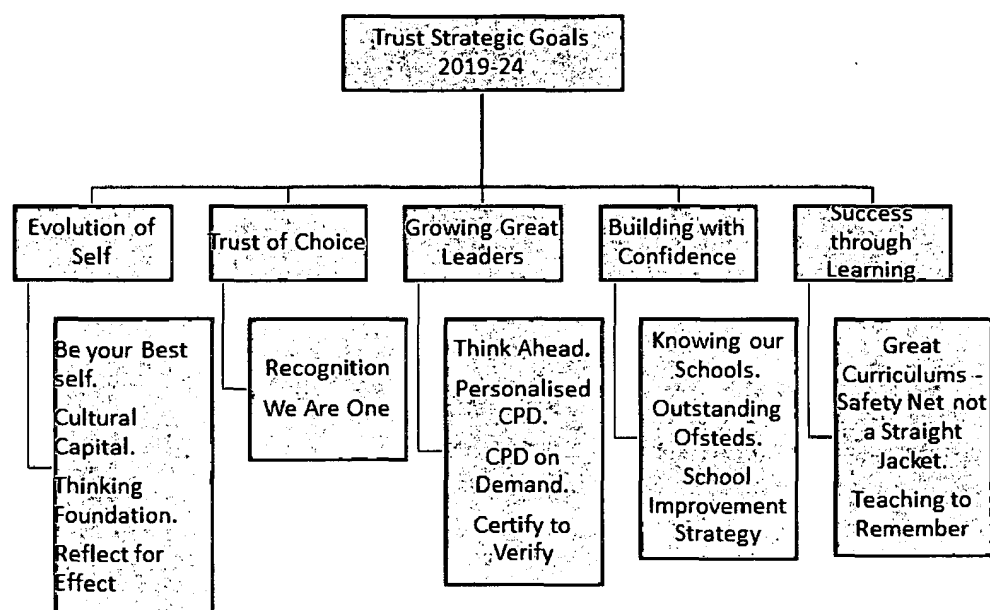

**THINKING
creative**

<u>Achievements in 19/20</u>	<u>Plans for 20/21</u>
<ul style="list-style-type: none"> Be Kind video. Collaboration video between all schools with over 10,000 organic views Use of Microsoft Sway for Digital Transitions –helping Yr 6 students transition to secondary school during lockdown. Animated school tour videos New look editions of Our Trust Growth of team with hire of Head of Marketing and PR & Comms Lead 	<ul style="list-style-type: none"> Launch of virtual open days Re-design of Trust & School websites Launch of Little Thinkers brand Launch of Thinking Tuition Link up with PHSC Development of PR role Introduction of central comms calendar Introduction of automated marketing to improve school & parent communication

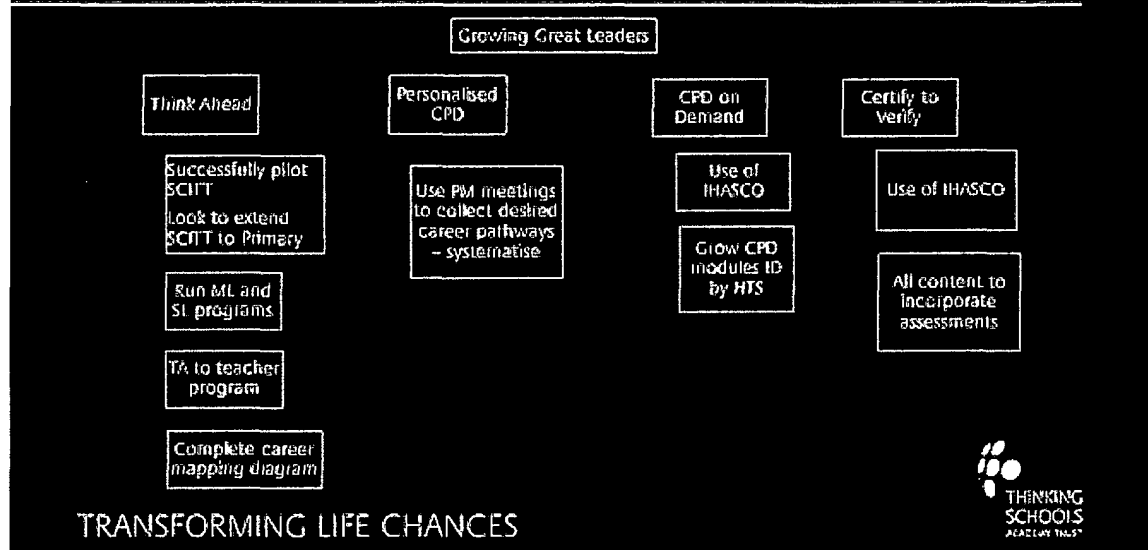


Strategic planning 2020/21:

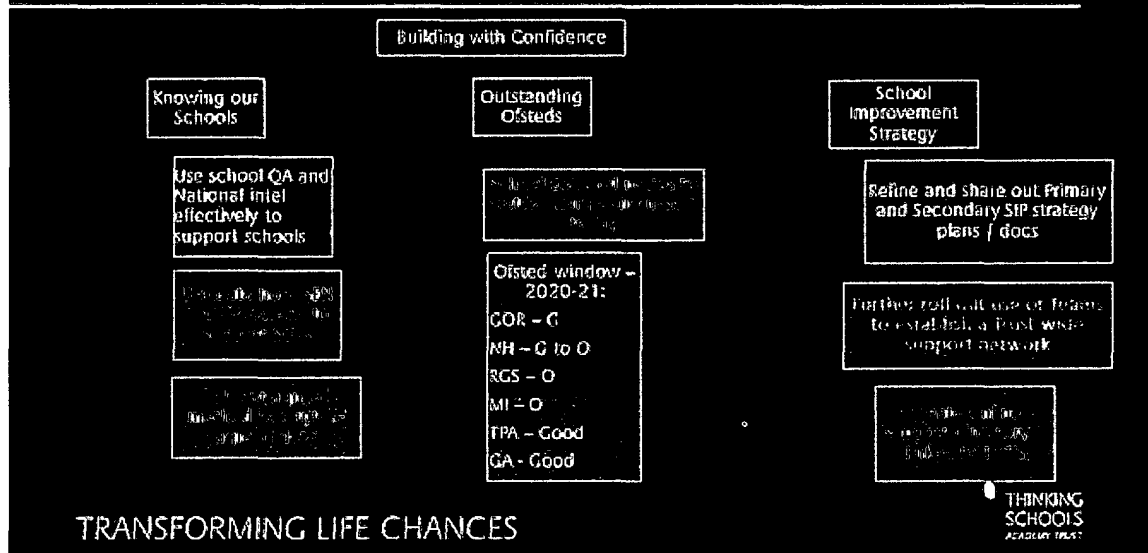
The Trust continues to develop its key pillars of improvement:



Strategic planning 2020-21 – School Development Plans

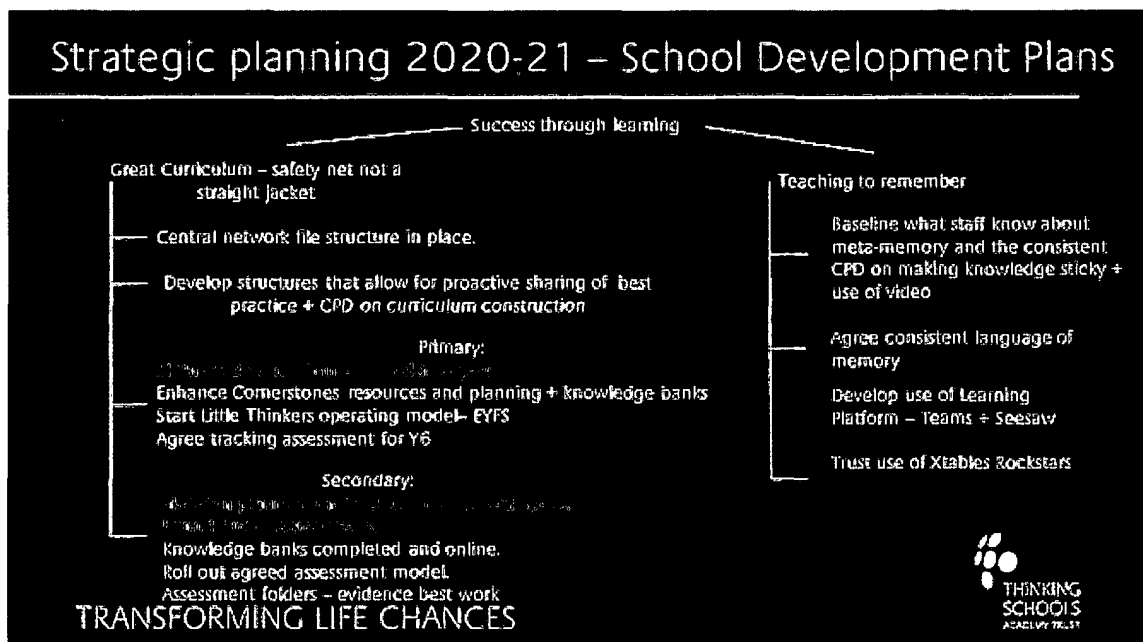


Strategic planning 2020-21 – School Development Plans



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Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that The 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.

Key performance indicators

The Directors consider that the following are key performance indicators for The Trust:

- School performance as detailed by the regulator (Ofsted);
- Latest pupil outcome performance targets;
- Pupil attendance targets;
- Percentage of income spent on teaching staff;
- Percentage of income spent on total staff costs;
- Pupil numbers surplus (leading directly to ESFA funding level);
- General financial stability - aim for income to match expenditure each year; and
- Staff turnover.

The Directors have established a Quality Assurance executive team that oversees the performance of all academies within The Trust. It regularly reviews a dashboard completed by the Chief Executive along with information provided by commissioned reviews. As a result of this the Board is able to ensure that support is targeted at the appropriate areas / schools within The Trust.

The Trust's performance against these KPI's can be found in the published Board minutes.

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Directors' Report
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Promoting the success of the company

The Trust ensures that any decisions made in line with its daily operations or furthering its strategic aims and objectives have due regard to;

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

Strategic objectives are regularly discussed and agreed with the Board of Trustee's to ensure full consideration is given to implications of any decisions affecting staff and students within The Trust and other key stakeholders. The governance structure within The Trust is designed to enable input from a wide range of stakeholder voices and experts to provide a balanced and informed process of monitoring, challenge, support and decision making.

The Trust have developed a strong reputation as a high performing Trust which is reflected in the upcoming growth in the Southwest of England and links to one of The Trust's five strategic pillars to be Trust of Choice.

Employee voice is very important to The Trust and staff are regularly asked for their feedback and opinion so that we can use this to inform improvements or enhancements that can be made to our offering as a great employer.

Through our trading subsidiary, TSfE, we have developed an outstanding reputation for our high standards of business conduct, being asked by the ESFA to support with a number of academies in need of strong financial management. In recognition of these services to education our Deputy CEO, was awarded an MBE earlier this year!

FUNDRAISING

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees

Under the provisions of the Charities (Protection and Social Investment) Act 2016, this section must include information on fundraising practices. The areas to cover are included in section 13 of the Act and include:

- Approach to fundraising
- Work with, and oversight of, any commercial participators / professional fundraisers
- Fundraising conforming to recognised standards
- Monitoring of fundraising carried out on its behalf
- Fundraising complaints
- Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Trustees may also find it helpful to refer to the Charity Commission publication "[Charity fundraising: a guide to trustee duties \(CC20\)](#)".

Where an academy trusts does not undertake formal fundraising, it could include "The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees".

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STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	10,083,532
<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	968.1
Oil consumption	272.98
Owned transport – mini-buses	25.86
Total scope	1,266.93
<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	853.04
<u>Scope 3 emissions in metric tonnes CO2e</u>	
Business travel in employee owned vehicles	11.53
Total gross emissions in metric tonnes CO2e	2,131.5
<u>Intensity ratio</u>	
Tonnes CO2e per pupil	0.25

Quantification and Reporting Methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Details of assets and arrangements for safe custody and segregation should be given where The Trust or its trustees are acting as custodian trustee. It should include the name and objects of the charity on whose behalf they are being held and how this activity falls within their own objective.

The Trust distributes 16-19 bursary funds to the students as an agent for the ESFA. Details, including any amounts not dispersed by the financial year end, are disclosed in note 30 to the financial statements.

As a School Direct provider the trust is also in receipt of funding on behalf of other schools in the local area, as well as trainee teachers. The Trust is responsible for ensuring that these funds are distributed appropriately and within the agreed timescale.

Financial review

No new schools have joined The Trust this year and therefore there are no significant assets inherited into the Trust.

It is also important to note that the financial statements represent group financial statements. Details of the Trust's subsidiary companies which are consolidated in the group accounts are provided in note 16. In accordance with accounting requirements the Statement of Financial Activities ("SoFA") provides details of the group consolidated income and expenditure, after the elimination of any transactions between group companies. Both a consolidated Balance Sheet and The Trust's own individual Balance Sheet are included within the financial statements. Note 28 provides details about the parent company Academy Trust's own net movement in funds. Most of The Trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA").

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Core grant income has been supplemented by capital funding and various other self-generated income streams.

Total Group income for the year was £56.8m compared to £54.8m in the previous year. Less than 2% of this total income did not relate to the parent Academy Trust, and note 5 shows the subsidiary income consolidated into the Group accounts.

These totals include non-revenue capital grants and, for the prior year, balances inherited by the Trust when academies joined. Excluding such balances the Trust's income for the year was £48.5m (2019: £44.8m). This increase of £3.7m is attributable to:

- Core General Annual Grant ("GAG") funding has increased by £2.2m; this is due partly to a rise in pupil numbers but also since the prior year not including a full year for all the joining academies;
- Other DfE/ESFA grants have risen by £1.7m mainly due to the new teacher pension grant introduced for 2019/20 to cover the rise in employer contribution rates in relation to the Teachers' Pension Scheme from September 2019;
- The increases in grant funding noted above were slightly countered by reductions in other funding, for example from school trips, catering and lettings as a result of the Covid-19 pandemic.

The Trust continues to receive a guaranteed School Condition Allocation (SCA) from the ESFA and this year the allocation amounted to £3.0m.

The consolidated SoFA shows net income for the year of £3.7m (2019: £4.9m). The overall net movement in funds, after actuarial movements on the Local Government defined benefit pension scheme ("LGPS"), was an decrease of £27k (2019: increase of £178k).

The large actuarial loss on the LGPS during the year arises due to changes in the actuarial assumptions used by the schemes' actuaries, which are updated at each accounting date to allow for changes in market conditions. Full details of the pension liability and assumptions used are disclosed in note 30. The actuarial loss for the year is only part of the overall movement in the carried deficit, which has increased by £6.2m. The other elements are charged to the SoFA as expenditure for the year, within staff costs, as detailed in accounting policy 1.15.

The operational result and movement on revenue funds is not shown directly on the SoFA. The table which follows reconciles from the overall movement in funds by adjusting for non-revenue amounts to reach the increase in revenue funds during the year of £630k (2019: reduction of £983k). The reduction in revenue funds during the prior year arose due to the £1m deficit inherited when Goodwin Academy joined the Trust on 1 September 2018.

Excluding all these non-operational movements the Group's operational result on revenue funds for the year was a surplus of £833k (2019: £49k), as reconciled from the consolidated SoFA below:

	2019 (£000s)	2018 (£000s)
Overall net movement in Group funds for the year per SoFA	(27)	178
<u>Add:</u>		
Decrease / (increase) attributable to fixed asset fund	(5,537)	(10,869)
Decrease / (increase) in endowment fund	2	5
LGPS liabilities inherited from joining academies	-	2,888
LGPS actuarial (gain)/loss	3,800	4,699
LGPS service and interest costs	2,392	2,116
Total movement in year on revenue funds	630	(983)
Add: deficit inherited on revenue funds on Goodwin Academy joining	-	1,000
Less: surplus inherited on revenue funds from other joining academies	-	(210)
Revenue to capital transfers	203	242
Operational surplus on revenue funds	833	49

At 31 August 2020, the Group held fixed assets with a value of £100m (2019: £95m) and movements in tangible fixed assets are shown in note 15 to the financial statements. Most of these assets are owned by the parent academy trust and £97m (2019: £93m) relates to the value of leasehold school buildings.

During the year The Trust has provided a fully managed central services to its academies during the year. Each academy school pays a 'top slice' of their General Annual Grant income to The Trust's Central Services fund which pays for key staff, systems or services vital to the running of The Trust. This is detailed in note 12 to the financial statements.

The Thinking Schools Academy Trust
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Directors' Report
For the year ended 31 August 2020

Financial position

The Group held fund balances at 31 August 2020 of £76.9m (2019: £76.9m). These funds included restricted fixed asset funds of £102.2m (2019: £96.7m) and unrestricted revenue funds of £1.3m (2019: £1.3m).

Two funds were in deficit at the 31 August 2020. The pension reserve deficit of £26.1m (2019: £20.0m) does not mean that an immediate liability crystallises; it results in a cash flow effect for The Trust in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of The Trust because of recognising the deficit. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions due by The Trust have been set until 1 April 2023. The rise in the pension deficit during the year is explained above under the financial review.

Restricted revenue funds are also in overall deficit, although this position has improved during the year with the deficit reducing to £442k (2019: £1.1m). The remaining deficit is not a concern; each academy holds its own reserves and apart from Goodwin Academy, all academies have a surplus position at year-end. Goodwin Academy had a deficit of £1.7m at 31 August 2020. As noted above £1m of this was inherited when the academy joined The Trust. An explanation of the reasons behind the subsequent rise in the deficit and the action being taken to improve the position is provided towards the end of note 21 of the financial statements. The collective strength of The Trust means the Goodwin Academy deficit can be managed until the desired outcome is achieved.

Principal risks and uncertainties

The main risks that each academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans. The Board has classified all its risks into 4 categories and review the risk register at every board meeting:

- *Strategic and Reputational* - This covers unfavorable Ofsted reports, risk of uncontrollable events and insufficient demand for academy service. Competition from other schools with similar objects and little scope for differentiation. Also includes the capacity of existing buildings to deliver teaching and learning to students;
- *Operational risks* – These are the risks associated with appointing the right quality staff and Governors to lead the organisation and the individual academies;
- *Compliance risk* – The importance of the need to meet statutory requirements connected with employment, Health & Safety and those set by the DfE; and
- *Finance risk* - The Board monitors the financial risk associated with managing a large organisation that balances local autonomy with the need to establish good financial controls. There are also risks in connection with the deficit on the Local Government Pension Scheme, although the Directors are comfortable with the current level of employer contributions the academies are required to pay.

Financial and risk management objectives and policies

None of the individual academies use complex financial instruments. Each academy manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from operations.

The main risks arising from the academies' financial activities are liquidity risk, cash flow interest rate risk, and credit risk, as detailed below:

- *Liquidity risk* – The Trust operates a pooled bank account and so that all its operating needs are met without the need for short-term borrowing;
- *Interest rate risk* - The Trust earns interest on cash deposits. With interest rates currently low, the Directors consider action to increase the income from these deposits, whilst ensuring it does not jeopardise the liquidity or security of the academy's assets; and
- *Credit risk* - this arises from the possibility that amounts owed to the academies will not be repaid. Neither academies partake in credit activities so is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

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Directors' Report
For the year ended 31 August 2020

Reserves policy

The Directors review the reserve levels of The Trust, and of each individual academy, on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Directors have determined that the permitted level of free reserves for recurrent costs should be maintained in order 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 financial statements identify an overall deficit of £442k on restricted funds (this excludes the restricted fixed asset fund and restricted pension fund) which are held for use by the individual academies and in no situation exceeds 5% of annual income which the Board believes is an adequate level to manage future uncertainties.

The Trust holds an unrestricted fund of £1.3m and whilst part of this is held by individual academies, the Trust reserves the right to redeploy these resources to meet the wider needs of the organisation.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Directors are aware:

- There is no relevant audit information of which the company's auditor is unaware; and
- The Directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

The auditors, UHY Hacker Young, have indicated their willingness to remain in office, and the audit process will be reviewed in detail and re-appointment of the auditors will be considered in due course.

This report, incorporating the Strategic report, was approved by order of the Board of Directors and signed on the Board of Director's behalf by:



Mr. P. Martin, Chair of Directors



Mr. S. Gardner, Chief Executive and Accounting Officer

Date: 16 December 2020

The Thinking Schools Academy Trust
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Governance Statement

Scope of Responsibility

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

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Thinking Schools Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' responsibilities. The Board of Directors has formally met five times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

<u>Director</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr. P. Martin, Chair of Trustees	5	6
Mr. S. Gardner, Chief Executive	6	6
Mr. M.R. Bailey	5	6
Mr. D. Morrison	6	6
Mr. G. Newman	4	6
Mrs. A Beard	0	1
Mrs. L. Randall	5	6
Mr. L. Trimby	5	6
Mr. S. Geary	5	6
Ms. R. Jordan-Evans	5	6
Mr. D. Lycett	4	6
Mr. I. Mason	4	4

In addition to the five formal meetings identified above, The Trust holds a 'Business Meeting' in September where all Directors, Governors and Advisory Board Members are invited to receive an update from the Executive regarding the previous year's performance and priorities for the year ahead. Directors also attend a two day leadership conference in September where they work with the Executive and Heads to develop strategy for The Trust and schools

At the start of the year each Academy is part of a Regional Governing Body that is made up of parents, staff and those appointed by Directors.

The Board have agreed a Regional Governing Body structure of 5 groups: Strood, Chatham, Kent, Portsmouth, and Fratton.

Directors retain the ability to appoint the Governors that serve on the Regional Governing Body and have agreed a structure that appointments are based on skills assessments. A scheme of delegation is in place to clearly show the delegated powers from the Board to the Regional Governing Bodies.

Each Academy has an advisory body that is made up of local stakeholders that act as a critical friend for the Academy and provide input into the decision making of the Regional Governing Body and/or Trust board.

Each Regional Governing Body has its own independent Finance and Staffing Committee acting as a sub-committee of the Regional Governing Body. The purpose of the Finance and Staffing Committee is to assist the decision making of their Regional Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the school's finances and resources, including proper planning, monitoring and probity.

As part of our ongoing commitment to improve our governance arrangement the Board has established a Governance and Compliance Committee that continually reviews the governance function of the organisation and oversees the implementation of improvements that are identified.

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Governance Statement

Governance (continued)

The Board has a Finance Committee that has met three times this year. Attendance at the Finance Committee meetings in the year was as follows:

<u>Director</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr. S. Gardner	2	2
Mr. M. Bailey	2	2
Mr. P. Martin	2	2
Mr. L. Trimby, Chair	1	2

The Audit Committee is also a sub-committee of the main Board of Directors. Its purpose is to review the risks to internal financial control at The Trust, liaising with internal and external auditors as necessary. During the year the Audit Committee has considered the risks The Trust faces, and directed the work of the internal auditors towards these areas, and established a programme of internal audit checks extending into the 2019/20 academic year to provide assurance on the operation of the systems and controls in the academies that have joined The Trust during the year and since the year end.

Attendance at meetings in the year was as follows:

<u>Director</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr. P. Martin	2	2
Mr. D. Morrison	1	2
Mr. G. Newman, Chair	2	2

The Chief Executive and Finance Director are invited to each meeting and provide the management information for the committee to consider and evaluate.

The Staffing, Pay & Performance Management Committee has met 3 times this year.

Attendance at meetings in the year was as follows:

<u>Director</u>	<u>Meeting attended</u>	<u>Out of a possible</u>
Mr. P. Martin	2	2
Mr S Gardner	2	2
Mr. M. Bailey	2	2
Mrs R Jordan-Evans	2	2

Review of value for money

As Accounting Officer, the Chief Executive has responsibility for ensuring that The 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for The Trust has delivered improved value for money during the year by:

- Using senior staff to support other Trusts that has resulted in a reduction in senior staff net costs to The Trust;
- Pooling the procurement decisions across IT and site has led to an ability to generate reduction in cost per pupil for these services compared to previous years;
- Catering and cleaning contracts have been retendered, as a result The Trust has secured an improved arrangement for both services going forward; and
- Further restructures at school level focused on grouping school leadership teams together has resulted in further savings generated.
- External work conducted through TSfE has enabled profits to be gift-aided back to The Trust and provided savings and efficiencies within teams providing outsourced work, generating cost savings that are invested into The Trust.

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Governance Statement

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Thinking Schools Academy Trust for the year 1 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 Directors has reviewed the key risks to which The Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing The Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The Board of Directors has considered the need for a specific internal audit function and has decided to appoint UHY Hacker Young, the external auditor, to perform an internal audit function for The Trust with segregated teams.

The appointees' role includes giving advice on financial matters and performing a range of checks on The Trust's financial systems. The Audit Committee has designed a programme of work across The Trust which varies from academy to academy based on the relative risks. Appointees have performed regular system checks throughout the year (3 visits across the year with a focus on procurement, GDPR and recruitment practices) have reported to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

During the year ended 31 August 2020 the internal audit function has been fully delivered in line with the requirements of the Education & Skills Funding Agency, and as planned. No material control issues have arisen and any recommendations for improvements are reported and monitored by the Audit Committee.

The revised FRC Ethical Standard for auditors states that a firm providing external audit to an entity shall not also provide internal audit services to it, subject to transitional arrangements which permit existing audit engagements at 15 March 2020 to conclude. UHY Hacker Young completed the provision of the service for 2019-20 under these transitional arrangements.

For 2020-21 the Trustees will be appointing another firm of chartered accountants with experience working in the academy sector to carry out the programme of internal scrutiny checks.

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Governance Statement


Review of Effectiveness

As Accounting Officer, the Chief Executive 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 external auditor;
- The financial management and governance self-assessment process; and
- The work of the executive leaders within The 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 Directors and signed on their behalf, by:



Mr. P Martin, Chair of Directors



Mr. S Gardner, Chief Executive and Accounting Officer

Date: 16 December 2020

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Statement on Regularity, Propriety and Compliance

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

I confirm that I and the Academy Trust board of Directors 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 Directors and ESFA.



Mr. S. Gardner
Chief Executive and Accounting Officer

Date: 16 December 2020

The Thinking Schools Academy Trust
(A company limited by guarantee)

Statement of Directors' responsibilities
For the year ended 31 August 2020

The Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial . Under company law, the Directors 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 Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

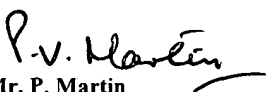
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that in their conduct and operation the Group and the charitable company apply 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the group'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 Directors and signed on its behalf by:


Mr. P. Martin
(Chair of Directors)

Date: 16 December 2020

The Thinking Schools Academy Trust
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of The Thinking Schools Academy Trust

Opinion

We have audited the financial statements of The Thinking Schools Academy Trust (the 'parent Academy Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2020 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Academy Trust balance sheet, the Consolidated 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 Group's and of the parent Academy Trust's affairs as at 31 August 2020 and of the Group's 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 Group 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Academy Trust'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.

Other information

The Directors 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 Directors' 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 Directors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of The Thinking Schools Academy Trust
(continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report including the Strategic report.

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

- the parent Academy Trust has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Academy Trust financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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 Directors' responsibilities statement, the Directors (who are also the directors of the Academy Trust 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 Directors 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 Directors are responsible for assessing the Group's and the parent Academy Trust'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 Directors either intend to liquidate the Group or the parent Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Academy Trust'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 Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Allan Hickie BSc FCA (Senior statutory auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 22/1/21

The Thinking Schools Academy Trust
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 7 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Thinking Schools Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Thinking Schools Academy Trust's funding agreement with the Secretary of State for Education dated 26 August 2014 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 Trust's income and expenditure.

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of The Thinking Schools Academy Trust for the year ended 31 August 2020 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance. The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Thinking Schools 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.



UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 22/1/21

The Thinking Schools Academy Trust
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2020

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Endowment funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income and endowments from:							
Donations and capital grants	3	3	25	8,375	-	8,403	10,047
Funding for the Academy Trust's educational operations	4	150	46,905	-	-	47,055	43,123
Teaching schools	37	-	88	-	-	88	179
Other trading activities	5	1,261	7	-	-	1,268	1,403
Investments	6	23	-	-	-	23	16
Total income and endowments		1,437	47,025	8,375	-	56,837	54,768
Expenditure on:							
Raising funds		555	-	-	-	555	457
Charitable activities	8	289	49,126	3,041	-	52,456	49,276
Teaching schools	37	-	53	-	-	53	158
Total expenditure		844	49,179	3,041	-	53,064	49,891
Net income/(expenditure)		593	(2,154)	5,334	-	3,773	4,877
Transfers between funds	21	(635)	434	203	(2)	-	-
Net movement in funds before other recognised gains/(losses)		(42)	(1,720)	5,537	(2)	3,773	4,877
Other recognised gains/(losses):							
Actuarial losses on defined benefit pension schemes	30	-	(3,800)	-	-	(3,800)	(4,699)
Net movement in funds		(42)	(5,520)	5,537	(2)	(27)	178
Reconciliation of funds:							
Total funds brought forward		1,333	(21,079)	96,658	2	76,914	76,736
Net movement in funds		(42)	(5,520)	5,537	(2)	(27)	178
Total funds carried forward	21	1,291	(26,599)	102,195	-	76,887	76,914

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


The notes on pages 41 to 74 form part of these financial statements.


The Thinking Schools Academy Trust
(A company limited by guarantee)
Registered number: 07359755

Consolidated balance sheet
As at 31 August 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	15	100,122	95,327
Current assets			
Debtors	17	2,205	2,281
Cash at bank and in hand		7,032	4,798
		<u>9,237</u>	<u>7,079</u>
Creditors: amounts falling due within one year	18	(5,311)	(4,365)
Net current assets		<u>3,926</u>	<u>2,714</u>
Total assets less current liabilities		<u>104,048</u>	<u>98,041</u>
Creditors: amounts falling due after more than one year	19	(1,000)	(1,158)
Provisions for liabilities		(4)	(4)
Net assets excluding pension liability		<u>103,044</u>	<u>96,879</u>
Defined benefit pension scheme liability	30	(26,157)	(19,965)
Total net assets		<u><u>76,887</u></u>	<u><u>76,914</u></u>
Funds of the Academy Trust			
Endowment funds	21	-	2
Restricted funds:			
Fixed asset funds	21	102,195	96,658
Restricted income funds	21	(442)	(1,114)
Pension reserve	21	(26,157)	(19,965)
Total restricted funds	21	<u>75,596</u>	<u>75,579</u>
Unrestricted income funds	21	<u>1,291</u>	<u>1,333</u>
Total funds		<u><u>76,887</u></u>	<u><u>76,914</u></u>

The financial statements on pages 37 to 74 were approved and authorised for issue by the Directors and are signed on their behalf, by:


Mr. P. Martin
 (Chair of Directors)


Mr. S. Gardner
 (Chief Executive and Accounting Officer)

Date: 16 December 2020

The notes on pages 41 to 74 form part of these financial statements.

The Thinking Schools Academy Trust
(A company limited by guarantee)
Registered number: 07359755

Academy Trust balance sheet
As at 31 August 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	15	100,105	95,307
Investments	16	25	25
		<u>100,130</u>	<u>95,332</u>
Current assets			
Debtors	17	2,201	2,250
Cash at bank and in hand		6,879	4,654
		<u>9,080</u>	<u>6,904</u>
Creditors: amounts falling due within one year	18	(5,276)	(4,335)
Net current assets		<u>3,804</u>	<u>2,569</u>
Total assets less current liabilities		<u>103,934</u>	<u>97,901</u>
Creditors: falling due after more than one year	19	(1,000)	(1,158)
Net assets excluding pension liability		<u>102,934</u>	<u>96,743</u>
Defined benefit pension scheme liability	30	(26,157)	(19,965)
Total net assets		<u><u>76,777</u></u>	<u><u>76,778</u></u>
Funds of the Academy Trust			
Endowment funds	21	-	2
Restricted funds:			
Fixed asset funds	21	102,178	96,658
Restricted income funds	21	(442)	(1,114)
Pension reserve	21	(26,157)	(19,965)
Total restricted funds	21	<u>75,579</u>	<u>75,579</u>
Unrestricted income funds	21	<u>1,198</u>	<u>1,197</u>
Total funds		<u><u>76,777</u></u>	<u><u>76,778</u></u>

The financial statements on pages 37 to 74 were approved and authorised for issue by the Directors and are signed on their behalf, by:



Mr. P. Martin
 (Chair of Directors)



Mr. S. Gardner
 (Chief Executive and Accounting Officer)

Date: 16 December 2020

The notes on pages 41 to 74 form part of these financial statements.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Consolidated statement of cash flows
For the year ended 31 August 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	23	1,716	47
Cash flows from investing activities	25	834	938
Cash flows from financing activities	24	(316)	-
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		2,234	985
Cash and cash equivalents at the beginning of the year		4,798	3,813
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	26, 27	<u>7,032</u>	<u>4,798</u>

The notes on pages 41 to 74 form part of these financial statements

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2020

1. 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.

1.1 Basis of preparation of financial statements

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

The Thinking Schools Academy Trust meets the definition of a public benefit entity under FRS 102.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Academy Trust and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. The comparative figures have been restated to include the results of the subsidiary which traded in the prior year.

The Academy Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

1.2 Going concern

The Directors 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 Trust to continue as a going concern. The Directors 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Goodwin Academy was transferred into the Trust on 1 September 2018, which resulted in a significant negative impact on held reserves in the prior year which remain. Assurances have been agreed with the ESFA that any cash repayment of this liability will be at a point when financial sustainability of Goodwin Academy within the Trust has been established.

1.3 Income

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

• **Grants**

Grants are included in the Consolidated 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 Consolidated statement of financial activities in the period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2020

1. Accounting policies (continued)

1.3 Income (continued)

- **Donations**

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

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Group)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Group's accounting policies.

1.4 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 Group 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 Group's educational operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

1.5 Interest receivable

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

1.6 Taxation

The Academy Trust 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 Trust 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.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2020

1. Accounting policies (continued)

1.7 Tangible fixed assets

All equipment costing more than £2,500 and property improvements costing more than £10,000 are capitalised 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 Consolidated 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 Consolidated statement of financial activities.

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	- over 125 year term of lease
Long-term leasehold property improvements	- 10%
Furniture and equipment	- 20-25%
Computer equipment	- 33.33%
Assets under construction	- Not depreciated

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 Consolidated statement of financial activities.

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Group 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.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2020

1. Accounting policies (continued)

1.12 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.13 Financial instruments

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group 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 17. Prepayments are not financial instruments. Amounts due to the Academy Trust'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.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. 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.

1.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

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For the year ended 31 August 2020

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the Group 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 Group 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 Group 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 Consolidated 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.

1.16 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds.

The funds received and paid and any balances held are disclosed in note 34.

1.17 Fund accounting

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

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.

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2. 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 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 30, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

There have been some specific issues which have been considered regarding the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) The "McCloud/Sargeant judgement". This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material. This was reflected in the prior year as a past service cost, within staff costs, and detailed in note 30, of £739,000.

On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. The consultation closed on 8 October 2020 and the final remedy will only be known after the consultation responses have been reviewed and a final set of remedial Regulations are published.

(2) Goodwin case. Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS.

Briefing notes provided by the actuary have indicated they expect the impact will be minimal for LGPS funds.

(3) Guaranteed Minimum Pension (GMP). On 22 January 2018, the Government published the outcome to its Indexation and equalisation of GMP in public service pension schemes consultation, concluding that the requirement for public service pension schemes to fully price protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 6 April 2021. HM Treasury published a Ministerial Direction on 4 December 2018 to implement this outcome, with effect from 6 April 2016.

Briefing notes provided by the actuary have indicated they do not expect to make any adjustments to the value placed on the liabilities as a result of the above outcome.

(4) Discount rates. There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced which has resulted in a higher value being placed on the defined benefit obligation. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

(5) Mortality assumptions. Details of the changes in mortality assumptions are shown in note 30. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions have been updated in line with those adopted for the Fund's 2019 actuarial valuation which anticipates a reduction in projected life expectancies. The lower life expectancy assumptions result in a lower value being placed on the defined benefit obligation. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

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3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Tfr from LA on conversion	-	-	-	-	1,476
Tfr in from existing academy trust	-	-	-	-	5,332
Donated assets	-	-	5,350	5,350	-
Donations	3	25	-	28	112
Capital grants	-	-	3,025	3,025	3,127
	<u>3</u>	<u>25</u>	<u>8,375</u>	<u>8,403</u>	<u>10,047</u>
<i>Analysis of 2019 total by fund</i>	<u>228</u>	<u>(3,794)</u>	<u>13,613</u>	<u>10,047</u>	

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	38,893	38,893	36,689
Other DfE/ESFA grants	-	5,720	5,720	3,975
	<u>-</u>	<u>44,613</u>	<u>44,613</u>	<u>40,664</u>
Other government grants				
Local authority grants	-	1,588	1,588	1,292
	<u>-</u>	<u>1,588</u>	<u>1,588</u>	<u>1,292</u>
Other funding				
School trips	-	279	279	408
Catering	4	29	33	202
Other	146	396	542	557
	<u>150</u>	<u>704</u>	<u>854</u>	<u>1,167</u>
	<u>150</u>	<u>46,905</u>	<u>47,055</u>	<u>43,123</u>
<i>Analysis of 2019 total by fund</i>	<u>172</u>	<u>42,951</u>	<u>43,123</u>	

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5. Income from other trading activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Hire of facilities	222	-	222	341
Thinking fitness	141	-	141	235
Catering profit share	153	-	153	114
Other	2	7	9	20
Subsidiary income	743	-	743	693
	<u>1,261</u>	<u>7</u>	<u>1,268</u>	<u>1,403</u>
<i>Analysis of 2019 total by fund</i>	<u>1,389</u>	<u>14</u>	<u>1,403</u>	

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Bank interest	23	23	16
	<u>16</u>	<u>16</u>	
<i>Analysis of 2019 total by fund</i>			

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7. Expenditure

	Staff Costs	Premises	Other	Total	Total
	2020	2020	2020	2020	2019
	£000	£000	£000	£000	£000
Expenditure on fundraising trading activities:					
Direct costs	493	-	62	555	457
Educational operations:					
Direct costs	32,950	-	5,251	38,201	35,449
Allocated support costs	7,551	3,027	3,677	14,255	13,827
Teaching school	29	-	24	53	158
	<u>41,023</u>	<u>3,027</u>	<u>9,014</u>	<u>53,064</u>	<u>49,891</u>
<i>Analysis of 2019 total</i>	<u>37,643</u>	<u>4,787</u>	<u>7,461</u>	<u>49,891</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted	Restricted	Endowment	Total	Total
	funds	funds	funds	funds	funds
	2020	2020	2020	2020	2019
	£000	£000	£000	£000	£000
Educational operations	289	52,167	-	52,456	49,276
<i>Analysis of 2019 total by fund</i>	<u>345</u>	<u>48,926</u>	<u>5</u>	<u>49,276</u>	

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9. Analysis of expenditure by activities

	Direct costs	Support costs	Total	Total
	2020	2020	funds	funds
	£000	£000	2020	2019
			£000	£000
Educational operations	38,201	14,255	52,456	49,276
<i>Analysis of 2019 total</i>	<i>35,449</i>	<i>13,827</i>	<i>49,276</i>	

Analysis of support costs

	Total	Total
	funds	funds
	2020	2019
	£000	£000
Staff costs	7,551	7,241
Premises costs	3,027	2,847
Technology costs	975	863
Legal costs	33	44
Other support costs	2,623	2,784
Governance costs	46	48
	14,255	13,827

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020	2019
	£000	£000
Operating lease rentals	135	177
Depreciation of tangible fixed assets	2,769	2,684
Fees paid to auditors for:		
- audit of the academy trust's consolidated financial statements and its subsidiary undertakings' own financial statements	38	37
- other services to the academy trust and its subsidiaries	10	15

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Notes to the financial statements
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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group	<i>Group</i>	Academy	<i>Academy Trust</i>
	2020	<i>2019</i>	Trust	<i>2019</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Wages and salaries	29,071	27,337	28,632	26,983
Social security costs	2,828	2,641	2,793	2,625
Pension costs	8,483	6,606	8,464	6,593
	<u>40,382</u>	<u>36,584</u>	<u>39,889</u>	<u>36,201</u>
Agency staff costs	571	973	571	973
Staff restructuring costs	70	86	70	86
	<u>41,023</u>	<u>37,643</u>	<u>40,530</u>	<u>37,260</u>

Staff restructuring costs comprise:

	Group	<i>Group</i>	Academy	<i>Academy Trust</i>
	2020	<i>2019</i>	Trust	<i>2019</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Redundancy payments	-	7	-	7
Severance payments	70	79	70	79
	<u>70</u>	<u>86</u>	<u>70</u>	<u>86</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £24k (2019 - £46k). Individually, the payments were: £15k, £5k, £2k, £1k and £1k.

c. Staff numbers

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

	Group	<i>Group</i>	Academy	<i>Academy Trust</i>
	2020	<i>2019</i>	Trust	<i>2019</i>
	No.	<i>No.</i>	No.	<i>No.</i>
Teachers	461	426	461	426
Administrative and support	699	691	677	669
Management	61	62	59	60
	<u>1,221</u>	<u>1,179</u>	<u>1,197</u>	<u>1,155</u>

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11. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	Group 2020 No.	Group 2019 No.	Academy Trust 2020 No.	Academy Trust 2019 No.
Teachers	419	382	419	382
Administrative and support	434	425	416	407
Management	61	61	59	59
	<u>914</u>	<u>868</u>	<u>894</u>	<u>848</u>

d. Higher paid staff

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

	Group 2020 No.	Group 2019 No.
In the band £60,001 - £70,000	17	9
In the band £70,001 - £80,000	5	5
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	2	1
In the band £100,001 - £110,000	1	2
In the band £110,001 - £120,000	1	1
In the band £140,001 - £150,000	1	1

e. Key management personnel

The key management personnel of the Academy Trust comprise the Directors 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 Trust was £925k (2019 - £633k).

To reflect the growing size and needs of the Trust, the structure of the Executive Team was expanded from September 2019. The previous Director of Primary and Director of Secondary Education roles were replaced by four Director of Education roles to cover the hub based governance model within the Trust. One each for Portsmouth, Chatham, Strood and Kent. A Director of Service Delivery role was also added into the structure from April 2020. The CEO and Deputy CEO positions have remained as in the previous year.

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12. Central services

The Group has provided a fully managed central services to its academies during the year.

Each academy school pays a 'top slice' of their General Annual Grant income to the Trust's Central Services fund which pays for key staff, systems or services vital to the running of the Trust.

This recharge was 1.9% for all schools in 2019/20 and covers the following service:

Core Strategic and Educational Support:

- Chief Executive Leadership time and support
- Deputy CEO time and support
- Director of Education time and support
- Trust governance and risk management
- Safeguarding and attendance
- Legal advice and support
- Communication and Marketing support
- External quality assurance consultants

In addition to this, each school enters into individual and bespoke 'Partnership Agreement' for the Trust to provide certain services centrally on their behalf:

Financial Services:

- Audit fees (both internal and external)
- Strategic financial support e.g. budget planning and monitoring
- Technical account support
- Transactional processing

Personnel Services:

- HR services and policy development
- In-house payroll system and service
- Employee relations case management
- Recruitment and retention services
- Performance Management systems and support

Technology Services:

- Fully managed helpdesk and on-site technical support
- ICT, Capital and Digital Strategy development
- Core IT infrastructure/management services and support
- Management and development of a Single Unified Network
- Procurement and support of devices throughout the Trust

Facilities Services:

- Fully managed helpdesk and on-site facilities support
- Health and Safety systems and policy development
- Management of all minor and major building work programmes
- Pro-active management of all H&S compliance checks

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Notes to the financial statements
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12. Central services (continued)

The amounts charged for Core Strategic and Educational Support services during 19/20 are shown below:

	2020 £000	2019 £000
All Faith's Children's Academy (AFS)	19	23
Cedar Children's Academy (CDR)	39	37
Gordon Children's Academy (GOR)	36	35
Goodwin Academy (GWA)	39	38
Holcombe Grammar School (HGS)	77	74
Isambard Brunel Junior School (IBJ)	24	23
Meredith Infant School (MER)	10	11
Meon Infant School (MIS)	14	14
Meon Junior School (MJS)	25	25
Moorings Way Infant School (MWI)	11	10
Newbridge Junior School (NBR)	39	37
New Horizons Children's Academy (NHO)	43	40
Penhale Infant School and Nursery (PHI)	18	19
The Rochester Grammar School (RGS)	110	105
The Portsmouth Academy (TPA)	90	77
The Victory Academy (VIC)	104	95
Total	698	663

The total charged for each service, including the Core service was as follows (the additional central expenditure for these services is reflected in the central services figure per note 21):

	Core/ Education	Thinking Financial	Thinking Technology	Thinking Facilities	Thinking Personnel	TOTAL
AFS	19	32	56	136	25	267
CDR	39	53	76	211	45	424
GOR	36	52	129	183	43	443
GWA	39	77	181	425	36	757
HGS	77	89	200	451	77	894
IBJ	24	33	47	117	30	251
MER	10	3	4	2	11	30
MIS	14	4	6	3	9	35
MJS	25	73	86	219	49	451
MWI	11	3	5	3	7	29
NBR	39	53	116	190	48	445
NHO	43	54	142	177	47	462
PHI	18	32	40	106	23	219
RGS	110	99	269	520	103	1,101
TPA	90	93	307	483	91	1,063
VIC	104	97	235	515	95	1,048
	696	846	1,899	3,740	739	7,920

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13. Directors' remuneration and expenses

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

		2020	2019
		£000	£000
Mr. S. Gardner (CEO)	Remuneration	145 - 150	145 - 150
	Pension contributions paid	30 - 35	20 - 25
	Other benefits	5 - 10	5 - 10
Mr. L. Miller (resigned as director 12 December 2018)	Remuneration	-	25 - 30
	Pension contributions paid	-	0 - 5
	Other benefits	-	0 - 5

During the year ended 31 August 2020, expenses totalling £1k were reimbursed or paid directly to 1 Director (2019 - £1k to 2 Directors).

14. Directors' and Officers' insurance

The Group 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 Directors 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 Directors and officers indemnity element from the overall cost of the RPA scheme membership.

15. Tangible fixed assets

Group

	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2019	98,974	883	1,605	3,883	105,345
Additions	5,923	899	20	722	7,564
Transfers between classes	137	(321)	1	183	-
At 31 August 2020	105,034	1,461	1,626	4,788	112,909
Depreciation					
At 1 September 2019	5,999	-	1,170	2,849	10,018
Charge for the year	2,070	-	126	573	2,769
At 31 August 2020	8,069	-	1,296	3,422	12,787

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15. Tangible fixed assets (continued)

Group (continued)

	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Total £000
Net book value					
At 31 August 2020	96,965	1,461	330	1,366	100,122
At 31 August 2019	92,975	883	435	1,034	95,327

Academy Trust

	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2019	98,974	883	1,579	3,883	105,319
Additions	5,923	899	20	722	7,564
Transfers between classes	137	(321)	1	183	-
At 31 August 2020	105,034	1,461	1,600	4,788	112,883
Depreciation					
At 1 September 2019	5,999	-	1,164	2,849	10,012
Charge for the year	2,070	-	123	573	2,766
At 31 August 2020	8,069	-	1,287	3,422	12,778
Net book value					
At 31 August 2020	96,965	1,461	313	1,366	100,105
At 31 August 2019	92,975	883	415	1,034	95,307

Included in land and buildings is leasehold land of £12m (2019 - £12m) which is not depreciated.

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16. Fixed asset investments

	Investments in subsidiary companies £000
Academy Trust	
Cost or valuation	
At 1 September 2019	25
At 31 August 2020	25
Net book value	
At 31 August 2020	25
At 31 August 2019	25

Principal subsidiaries

The following were subsidiary undertakings of the Academy Trust:

Names	Company number	Registered office or principal place of business	Principal activity
Thinking Solutions for Education Limited	11463368	Park Crescent, Chatham, ME4 6NR	Educational support services
Little Thinkers Pre-School & Nursery Limited	04671163	Wymering Road, North End, Portsmouth, Hampshire, PO2 7HX	Pre-primary education
Class of shares	Holding	Included in consolidation	
Ordinary	100%	Yes	
Limited by guarantee	100%	Yes	

The financial results of the subsidiaries for the period were:

Names	Income £000	Expenditure £000	Profit/(Loss)/ Surplus/ (Deficit) for the period £000	Net assets £000
Thinking Solutions for Education Limited	425	(372)	53	78
Little Thinkers Pre-School & Nursery Limited	322	(352)	(30)	58

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17. Debtors

	Group 2020 £000	Group 2019 £000	Academy Trust 2020 £000	Academy Trust 2019 £000
Due after more than one year				
Other debtors	-	-	23	27
	-	-	23	27
Due within one year				
Trade debtors	146	124	117	67
Other debtors	353	467	356	467
Prepayments and accrued income	1,706	1,689	1,705	1,689
Tax recoverable	-	1	-	-
	<u>2,205</u>	<u>2,281</u>	<u>2,201</u>	<u>2,250</u>

18. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Academy Trust 2020 £000	Academy Trust 2019 £000
Other loans	158	316	158	316
Trade creditors	1,731	1,847	1,722	1,862
Other taxation and social security	651	641	637	631
Other creditors	1,201	222	1,200	218
Accruals and deferred income	1,570	1,339	1,559	1,308
	<u>5,311</u>	<u>4,365</u>	<u>5,276</u>	<u>4,335</u>

Accruals at 31 August 2020 include £212k in respect of the estimated back pay which may be due for term time only workers' annual leave (see also contingent liability note 29 for further details and an explanation of the uncertainty around this).

	Group 2020 £000	Group 2019 £000	Academy Trust 2020 £000	Academy Trust 2019 £000
Deferred income at 1 September 2019	710	504	710	504
Resources deferred during the year	778	710	778	710
Amounts released from previous periods	(710)	(504)	(710)	(504)
	<u>778</u>	<u>710</u>	<u>778</u>	<u>710</u>

The deferred income above relates to income received for trips to take place in the 2020/21 academic year of £42k (2019 - £202k), grant income received in advance of £724k (2019 - £508k) and other income received in advance of £12k (2019 - £Nil).

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

	Group	<i>Group</i>	Academy	<i>Academy Trust</i>
	2020	<i>2019</i>	Trust	<i>2019</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Other loans	1,000	1,158	1,000	1,158

Other loans comprise the following:

Funding received from the ESFA towards the 2013/14 and 2014/15 deficits in the Victory Academy, before the school joined the Trust - £158k is shown as due within one year.

ESFA Recoverable Funding Debt of £1m, taken on when Goodwin Academy (GWA) joined the Trust. The date for commencement of recovery will be subject to a prior review of the updated individual Goodwin Academy budget to assess affordability and agree a schedule for recovery which does not put the academy in a deficit position in any financial year. The debt is shown as due after one year.

20. Deferred taxation

	2020
	£000
Group	
At the beginning of the period	4

The deferred tax balance is made up as follows:

	Group	<i>Group</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
Accelerated capital allowances	(4)	(4)

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21. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General fund	1,197	694	(289)	(421)	-	1,181
Subsidiaries	136	743	(555)	(214)	-	110
	<u>1,333</u>	<u>1,437</u>	<u>(844)</u>	<u>(635)</u>	<u>-</u>	<u>1,291</u>
Endowment funds						
Endowment fund	<u>2</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Restricted general funds						
General Annual Grant (GAG)	(1,314)	38,893	(38,969)	631	-	(759)
Other DfE/ESFA grants	28	5,793	(5,744)	(5)	-	72
Other government grants	18	1,588	(1,417)	(186)	-	3
Other restricted	154	751	(657)	(6)	-	242
Pension reserve	(19,965)	-	(2,392)	-	(3,800)	(26,157)
	<u>(21,079)</u>	<u>47,025</u>	<u>(49,179)</u>	<u>434</u>	<u>(3,800)</u>	<u>(26,599)</u>
Restricted fixed asset funds						
Fixed assets	95,307	5,350	(3,041)	2,489	-	100,105
Capital funds	1,351	3,025	-	(2,286)	-	2,090
	<u>96,658</u>	<u>8,375</u>	<u>(3,041)</u>	<u>203</u>	<u>-</u>	<u>102,195</u>
Total Restricted funds	<u>75,579</u>	<u>55,400</u>	<u>(52,220)</u>	<u>637</u>	<u>(3,800)</u>	<u>75,596</u>
Total funds	<u>76,914</u>	<u>56,837</u>	<u>(53,064)</u>	<u>-</u>	<u>(3,800)</u>	<u>76,887</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the academies. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

The other DfE/ESFA grants fund is used to track non-GAG grants received from the ESFA, the DfE or executive agencies of the DfE and includes Pupil Premium and Teaching School grants.

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21. Statement of funds (continued)

The other government grants fund is used to track grants provided by government departments and includes Individually Assigned Resources funding from the Local Authority

Other restricted funds track income such as school trips and other non-grant restricted income.

The pension reserve deficit is a restricted fund to account for the liability arising under The Local Government Pension Scheme.

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The net transfer to the restricted fixed asset fund of £138k represents the total capital expenditure from other non-capital funds. The balance of £2.025m on the capital fund at the end of the year represents unspent capital income.

The endowment fund represents monies held by the Bishop of Rochester Endowment Fund (charity registration number 1139048) established by a trust deed dated 11 October 2010. £500,000 was received from Medway Council during the year ended 31 August 2011 under this deed as an endowment. The Directors have entered into a Deed with the previous Trustees who have now all retired and have since removed the charity from the charities commission register as an exempt charity. All transactions are monitored by the board of Directors. The income of the endowment fund arising during each financial year is to be applied by the Trust to advance education for the benefit of the community of Chatham.

Total funds analysis by group entity

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£000	£000
RGS	59	125
AFS	21	45
TPA	129	16
HGS / VIC	308	187
GOR	196	152
NHO	359	251
IBJ / MER	209	155
NBR	385	280
CDR	299	196
MIS / MJS / MWI	140	159
PHI	137	147
GWA	(1,757)	(1,640)
Central services	254	12
Subsidiaries	110	136
Total before fixed asset funds and pension reserve	849	221
Restricted fixed asset fund	102,195	96,658
Pension reserve	(26,157)	(19,965)
Total	76,887	76,914

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21. Statement of funds (continued)

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

	Deficit £000
Goodwin Academy	(1,757)

This deficit of £1.75 million includes £1 million inherited and transferred into the Academy Trust when Goodwin Academy joined on 1 September 2018. Original deficit recovery plans took account of an expected further deficit in 18/19 as the cost saving measures were being implemented and pupil numbers began to increase. Unfortunately, pupil number growth has been less than expected and the anticipated increase in deficit over the previous two years has been higher as a result. A surplus budget has been set in 20/21 that will reduce the deficit and further action is being taken to reassess what additional savings can be made to maximise the surplus at the end of the year.

Total cost analysis by group entity

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
RGS	4,652	269	399	175	5,495	5,306
AFS	1,236	77	51	60	1,424	1,472
TPA	3,536	239	297	188	4,260	3,469
HGS / VIC	-	-	-	-	-	3,526
GOR	1,441	124	115	127	1,807	1,789
NHO	1,720	152	144	136	2,152	2,037
IBJ / MER	1,964	220	186	231	2,601	1,904
NBR	1,674	137	142	107	2,060	1,949
VIC	7,064	554	410	415	8,443	4,272
CDR	1,749	169	73	150	2,141	1,980
MIS / MJS / MWI	2,209	200	130	215	2,754	2,636
PHI	876	78	35	90	1,079	1,125
GWA	3,428	272	327	193	4,220	4,486
Central services	1,427	5,063	195	4,624	11,309	10,796
Subsidiaries	-	-	-	555	555	459
Group	32,976	7,554	2,504	7,266	50,300	47,206

As disclosed in note 12, the central services figure above includes additional expenditure in the year for various services provided centrally and which are not split out individually between academies.

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21. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
Unrestricted funds						
General fund	402	1,112	(345)	28	-	1,197
Subsidiaries	98	693	(457)	(198)	-	136
	<u>500</u>	<u>1,805</u>	<u>(802)</u>	<u>(170)</u>	<u>-</u>	<u>1,333</u>
Endowment funds						
Endowment fund	7	-	(5)	-	-	2
Restricted general funds						
General Annual Grant (GAG)	66	36,693	(37,870)	(203)	-	(1,314)
Other DfE/ESFA grants	174	4,137	(4,113)	(170)	-	28
Other government grants	273	1,293	(1,052)	(496)	-	18
Other restricted	189	1,115	(947)	(203)	-	154
Transfer in of existing academy	-	(1,000)	-	1,000	-	-
Pension reserve	(10,262)	(2,888)	(2,116)	-	(4,699)	(19,965)
	<u>(9,560)</u>	<u>39,350</u>	<u>(46,098)</u>	<u>(72)</u>	<u>(4,699)</u>	<u>(21,079)</u>
Restricted fixed asset funds						
Fixed assets	85,262	10,486	(2,684)	2,243	-	95,307
Capital funds	527	3,127	(302)	(2,001)	-	1,351
	<u>85,789</u>	<u>13,613</u>	<u>(2,986)</u>	<u>242</u>	<u>-</u>	<u>96,658</u>
Total Restricted funds	<u>76,229</u>	<u>52,963</u>	<u>(49,084)</u>	<u>170</u>	<u>(4,699)</u>	<u>75,579</u>
Total funds	<u>76,736</u>	<u>54,768</u>	<u>(49,891)</u>	<u>-</u>	<u>(4,699)</u>	<u>76,914</u>

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22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	17	-	100,105	100,122
Current assets	1,313	5,834	2,090	9,237
Creditors due within one year	(35)	(5,276)	-	(5,311)
Creditors due in more than one year	-	(1,000)	-	(1,000)
Provisions for liabilities and charges	(4)	(26,157)	-	(26,161)
Total	1,291	(26,599)	102,195	76,887

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Endowment funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	20	-	95,307	-	95,327
Current assets	1,363	4,365	1,351	-	7,079
Creditors due within one year	(46)	(4,319)	-	-	(4,365)
Creditors due in more than one year	-	(1,160)	-	2	(1,158)
Provisions for liabilities and charges	(4)	(19,965)	-	-	(19,969)
Total	1,333	(21,079)	96,658	2	76,914

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Net income for the period (as per Statement of financial activities)	3,773	4,877
Adjustments for:		
Depreciation	2,769	2,687
Capital grants from DfE and other capital income	(3,025)	(2,977)
Interest receivable	(23)	(16)
Defined benefit pension scheme obligation inherited	-	559
Defined benefit pension scheme cost less contributions payable	2,038	1,783
Defined benefit pension scheme finance cost	354	333
Decrease/(increase) in debtors	76	(172)
Increase in creditors	1,104	318
Cash impact of transfer on conversion	-	(210)
Fixed assets transferred in on conversion	-	(1,803)
Transfer in of existing academy trust	-	(5,332)
Donated fixed assets	(5,350)	-
Net cash provided by operating activities	1,716	<i>47</i>

24. Cash flows from financing activities

	Group	<i>Group</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
Repayments of borrowing	(316)	-

25. Cash flows from investing activities

	Group	<i>Group</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
Dividends, interest and rents from investments	23	16
Purchase of tangible fixed assets	(2,214)	(2,265)
Capital grants from DfE Group	3,025	2,977
Cash transferred in on conversion	-	210
Net cash provided by investing activities	834	<i>938</i>

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26. Analysis of cash and cash equivalents

	Group 2020 £000	<i>Group 2019 £000</i>
Cash in hand	7,032	4,798

27. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2020 £000
Cash at bank and in hand	4,798	2,234	-	7,032
Debt due within 1 year	(316)	316	(158)	(158)
Debt due after 1 year	(1,158)	-	158	(1,000)
	<u>3,324</u>	<u>2,550</u>	<u>-</u>	<u>5,874</u>

28. Net movement in funds of parent company

As permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP, the Statement of Financial Activities of the parent company, The Thinking Schools Academy Trust, is not presented as part of these accounts. The parent company's net movement in all funds for the financial year was a decrease of £1k (2019 - increase of £140k).

The movement in total funds for both years is influenced by transactions that do not relate to operating revenue income funds which relate to the day-to-day running of the Trust's academies, for example movement on the LGPS deficit and, in 2019, assets and liabilities transferred into the Trust for joining academies.

The parent company's revenue income funds increased by £671k during 2019/20, which compares to a reduction of £236k in the prior year once the impact of transferred in revenue balances is stripped out.

As explained in the financial review section of the trustees' report and shown on the Statement of Financial Activities, total group funds decreased during the year by £27k (2019 - increased by £178k).

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29. Contingent liabilities

The Trust has exposure to three separate contingent liabilities:

- 1) The Trust recognises a contingent liability of £211k to Teachers Pensions relating to ex-teaching staff at Victory Academy who took premature retirement in 2015, prior to the academy joining the Trust. A portion of the liability crystallises each year that pension payments are needed for the ex-staff members
- 2) A further contingent liability exists in respect of the deficit inherited when Goodwin Academy joined the Trust on 1 September 2018. Officially the Trust took on £2.6m of liabilities in respect of the full amount of the ESFA recoverable funding debt attributed to Goodwin Academy whilst it was managed by the trust it was rebrokered from. However an arrangement was entered into with the ESFA to limit the Trust's exposure to £1m, subject to certain conditions. Since the Directors were fully confident that the conditions will be met only the £1m deficit was therefore reflected in the 2018/19 financial statements.

The Trustees remain fully confident that the conditions will be met and so the 2019/20 continue to only reflect the £1m maximum amount which the Directors believe the Trust is exposed to. If, however, for any reason, these conditions are not met then the Trust would be responsible for the full liabilities of £2.6m.

- 3) The Trust has a contingent liability in respect of term time only workers' annual leave. During the year certain trades unions began looking at potentially making claims against Kent based education employers regarding the calculation of term time only workers' annual leave. This is on the back of settlements they have made in other local authorities for their members regarding changing the calculation and back pay.

Whilst the Academy Trust is free to set its own pay rates, in common with most academies it closely follows the local authority scales. The Kent County Council (KCC) 'Kent Scheme' Pay Scales were amended from 1 April 2020 following a change to the way leave for term time only staff is calculated and the trust has followed by altering its own approach. KCC has received representations that there is a wish to make a settlement on back pay as the unions believe their members have been historically underpaid. KCC is resisting making any collective settlement and is encouraging individual employer schools and academies to do likewise.

The unions are attempting to bring the issue to their members and encouraging them to make a claim in the Employment Tribunal. If this is successful the trust may be liable. At the date of approval of these financial statements it is unclear (i) whether a back settlement liability may exist, (ii) if does how many years back this may go, and (iii) whether the liability or share of the liability would sit with KCC.

See Note 18 for the accrual already included by the Trust as at 31 August 2020.

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30. Pension commitments

The Academy Trust'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 and Hampshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £678,000 were payable to the schemes at 31 August 2020 (2019 - £ -) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £4,245,000 (2019 - £2,746,000).

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 Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group has set out above the information available on the scheme.

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30. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £2,359,000 (2019 - £2,276,000), of which employer's contributions totalled £1,835,000 (2019 - £1,778,000) and employees' contributions totalled £ 524,000 (2019 - £498,000). The agreed contribution rates for future years have been set until March 2023.

As described in note the LGPS obligation relates to the employees of the Academy Trust, 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 Trust at the balance sheet date.

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

Principal actuarial assumptions

Kent County Council:

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.70
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.60	1.85

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
Retiring today		
Males	21.8	22.1
Females	23.8	24.0
Retiring in 20 years		
Males	23.2	23.7
Females	25.2	25.8

Hampshire County Council:

	2020	2019
	%	%
Rate of increase in salaries	3.3	3.6
Rate of increase for pensions in payment/inflation	2.3	2.1
Discount rate for scheme liabilities	1.7	1.9

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

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30. Pension commitments (continued)

	2020 Years	2019 Years
Retiring today		
Males	23	23.1
Females	25.5	25.8
Retiring in 20 years		
Males	24.7	24.7
Females	27.2	27.6

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(1,367)	(1,044)
Discount rate -0.1%	1,410	1,070
Mortality assumption - 1 year increase	1,983	1,590
Mortality assumption - 1 year decrease	(1,952)	(1,546)
CPI rate +0.1%	1,237	867
CPI rate -0.1%	(1,216)	(848)

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

	2020 £000	2019 £000
Equities	17,523	16,254
Gilts	2,031	1,911
Corporate bonds	2,382	1,457
Property	2,617	2,510
Cash and other liquid assets	719	597
Other	3,006	2,135
Total market value of assets	28,278	24,864

The actual return on scheme assets was £1,591,000 (2019 - £1,157,000).

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30. Pension commitments (continued)

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

	2020	2019
	£000	£000
Current service cost	(3,864)	(2,817)
Past service cost	-	(739)
Interest income	481	602
Interest cost	(835)	(935)
Administrative expenses	(9)	(5)
Total amount recognised in the Consolidated statement of financial activities	(4,227)	(3,894)

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

	2020	2019
	£000	£000
At 1 September	44,829	28,139
Conversion of academies	-	1,530
Transferred in on existing academies joining the trust	-	5,333
Current service cost	3,864	2,817
Interest cost	835	935
Employee contributions	524	498
Actuarial losses	4,999	5,254
Benefits paid	(616)	(416)
Past service costs	-	739
At 31 August	54,435	44,829

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

	2020	2019
	£000	£000
At 1 September	24,864	17,877
Conversion of academy trusts	-	971
Transferred in on existing academies joining the trust	-	3,004
Interest income	481	602
Actuarial gains	1,199	555
Employer contributions	1,835	1,778
Employee contributions	524	498
Benefits paid	(616)	(416)
Admin expenses	(9)	(5)
At 31 August	28,278	24,864

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31. Operating lease commitments

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

	Group	<i>Group</i>	Academy	<i>Academy Trust</i>
	2020	<i>2019</i>	Trust	<i>2019</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Not later than 1 year	143	113	143	113
Later than 1 year and not later than 5 years	177	55	177	55
	<u>320</u>	<u>168</u>	<u>320</u>	<u>168</u>

32. Members' liability

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

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33. Related party transactions

Owing to the nature of the Academy Trust's operations 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 a director has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the financial year:

Expenditure Related Party Transactions

Mrs. D. Trimby, the spouse of Mr. L. Trimby, a director, is employed by the trust for her role as an Executive Business Manager. Mr. L. Trimby had no involvement in the appointment of Mrs. D. Trimby and the directors are comfortable that Mrs. D. Trimby's salary provides value for money and is not at a preferential rate. Mrs. D. Trimby is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a director.

Dr. H. Finnemore, the spouse of Mr. A. Finnemore, a director of the trust's subsidiary company Thinking Solutions for Education Limited, is employed by the trust for her role as an Operations Coordinator. Mr. A. Finnemore had no involvement in the appointment of Dr. H. Finnemore and the directors are comfortable that Dr. H. Finnemore's salary provides value for money and is not at a preferential rate. Dr. H. Finnemore is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a director of the trust's subsidiary company.

The Academy Trust leases The Rochester Grammar School land and buildings from a related charity, Rochester Grammar School for Girls Charity, registration number 307839, at an annual peppercorn rent.

Income Related Party Transactions

The Rochester Grammar School Association registered charity number 803801, donated £Nil (2019 - £14k) to the trust during the year.

During the year the trust provided staff support services to Thinking Solutions for Education Limited, a subsidiary undertaking of the trust, at a charge of £172k (2019 - £173k). Thinking Solutions for Education Limited also made gift aid donations of £17k (2019 - £Nil) to the trust during the year. At 31 August 2020, Thinking Solutions for Education Limited owed the trust £28k (2019 - £27k). This loan is due for repayment in equal instalments over the next 5 years and is shown in debtors and debtors greater than one year, interest is paid annually to the trust at a rate of 6% above the Bank of England base rate.

During the year, Little Thinkers Pre-School & Nursery Limited, a subsidiary undertaking of The Thinking Schools Academy Trust, paid the trust £19k (2019 - £19k) in rent and service charges. Little Thinkers Pre-School & Nursery Limited also made gift aid donations of £23k (2019 - £7k) to the trust during the year.

34. Post balance sheet events

A DfE academy converter application is in progress for Plymouth High School for Girls and, if approved, this school will join the Trust during 2020/21.

35. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. During the year ended 31 August 2020 the trust received £64k (2019 - £63k) and disbursed £41k (2019 - £45k) from the fund. An amount of £81k (2019 - £58k) is included in other creditors relating to undistributed funds.

36. Controlling party

Each academy is run by their respective management teams on a day to day basis. Strategic decisions for the Academy Trust are made by the Directors with support from the Regional Governing Bodies. There is no ultimate controlling party.

The Thinking Schools Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2020

37. Teaching school trading account

	2020	2020	2019	2019
	£000	£000	£000	£000
Income				
Direct income				
Core funding	40		40	
Teacher Subject Specialism Training	5		68	
Schools Direct Salaried	68		93	
Other	-		6	
Grant funding paid over to other schools	(40)		(44)	
Total direct income	73		163	
Other income				
Fundraising and other trading activities	15		16	
Total income		88		179
Expenditure				
Direct expenditure				
Direct staff costs	29		91	
Staff development	16		55	
Other	1		6	
Total direct expenditure	46		152	
Other expenditure				
Other support costs	6		5	
Governance costs	1		1	
Total other expenditure	7		6	
Total expenditure		53		158
Surplus from all sources		35		21
Teaching school balances at 1 September 2019		37		16
Teaching school balances at 31 August 2020		72		37