

Registration number: 07801612

# Aletheia Anglican Academies Trust

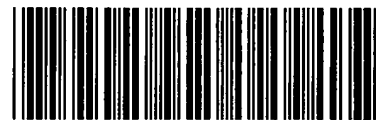
(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2015

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

SATURDAY



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# **Aletheia Anglican Academies Trust**

## **Contents**

Reference and Administrative Details	1 to 3
Trustees' Report	4 to 10
Governance Statement	11 to 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report on the Financial Statements	18 to 19
Independent Auditor's Assurance Report on Regularity	20 to 21
Statement of Financial Activities incorporating Income and Expenditure Account	22 to 23
Balance Sheet	24
Cash Flow Statement	25
Notes to the Financial Statements	26 to 49

## **Aletheia Anglican Academies Trust**

### **Reference and Administrative Details**

<b>Members</b>	Bishop of Rochester (The Right Reverend James Langstaff) Archdeacon of Rochester (The Ven Simon Burton-Jones) Area Dean of Gravesend (Rev. Sue Brewer) Chair of Trustees (William Johnson appointed 1 December 2014) Chair of Trustees (Rev. Joe King resigned 30 November 2014)
<b>Trustees (Directors)</b>	W Johnson, (Chairman) (appointed 1 December 2014) A Hamilton (appointed 1 December 2014) L Patla (appointed 1 December 2014) S Carey, (Principal, Accounting Officer & Chief Executive Officer) (appointed 1 January 2015) A Muckley (appointed 30 January 2015) A Southgate, (Principal & Accounting Officer to 31 December 2014) (appointed 1 December 2014) N Bird A Chitty (appointed 1 December 2014) C Conroy (appointed 1 December 2014) C Byrom (resigned 30 November 2014) V Corbyn (resigned 30 November 2014) J De-Ath (resigned 30 November 2014) K Knight (resigned 30 November 2014) S Glover (resigned 30 November 2014) K Higson, (Staff Governor) (resigned 30 November 2014) C Leeke, (Staff Governor) (resigned 30 November 2014) P McBean (resigned 30 November 2014) E McLavy (resigned 30 November 2014) Reverend R Oates (resigned 30 November 2014) M Ogunlola (resigned 30 November 2014) A Pettit, (Staff Governor) (resigned 30 November 2014) K Plummer (resigned 30 November 2014) V Twine (resigned 30 November 2014) R Wallis (resigned 30 November 2014)

*\* Resources & Finance is a fixed agenda item at all Trustee meetings. There is not a separate Trustee Finance Committee in place. However, these individuals do attend Finance and Resources Committees held by the local governing bodies at their individual academies.*

*# Audit Committee plus C Byrom (Governor/Chair of Resources & Finance Committee Saint George's CE). K Knight (Governor Saint George's CE) and A Tompkins (Governor Shorne CEP).*

## **Aletheia Anglican Academies Trust**

### **Reference and Administrative Details**

**Senior Management Team** Mr Stephen Carey, Chief Executive Officer/Secondary Principal  
Mrs Amy Chitty, Primary Principal  
Miss Caroline Conroy, Primary Principal  
Mr Tony Seath, Chief Finance Officer

**Principal and Registered Office** Saint George's Church of England School  
Meadow Road  
Gravesend  
Kent  
DA11 7LS

**Company Registration Number** 07801612 (England & Wales)

**Auditors** UHY Kent LLP trading as UHY Hacker Young  
Chartered Accountants and Statutory Auditors  
Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

**Bankers** Lloyds Bank Plc  
78 New Road  
Gravesend  
Kent  
DA11 0AR

**Solicitors** Lee Bolton Monier-Williams  
1 The Sanctuary  
Westminster  
London  
SW1P 3JT

**Surveyors** Ingleton Wood LLP  
874 The Crescent  
Colchester Business Park  
Colchester  
Essex  
CO4 9YQ

## **Aletheia Anglican Academies Trust**

### **Reference and Administrative Details**

#### **Directory of Academies**

For the year ended 31 August 2015

##### **Saint George's Church of England School**

Meadow Road

Gravesend

Kent

DA11 7LS

Principal: Mr Stephen Carey

##### **St. Botolph's Church of England Primary School**

Dover Road

Northfleet, Gravesend

Kent

DA11 9PL

Principal: Mrs Amy Chitty

##### **Shorne Church of England Primary School**

Cob Drive

Shorne, Gravesend

Kent

DA12 3DU

Principal: Miss Caroline Conroy

## **Aletheia Anglican Academies Trust**

### **Trustees' Report for the Year Ended 31 August 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2015.

#### **Structure, governance and management**

##### ***Constitution***

The Academy Trust is a company limited by guarantee and is an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07801612.

The Trustees of Aletheia Anglican Academies Trust are also the directors of the Charitable Company for the purposes of company law.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

##### ***Members' liability***

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while 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.

##### ***Trustees' indemnities***

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

##### ***Principal activities***

The Academy Trust took over the operation of an existing academy, Saint George's Church of England School plus St. Botolph's Church of England Primary School and Shorne Church of England Primary School on their conversion to academy status on 1 December 2014. Since then the Academy Trust's principal object and activity has been to manage the school's provision of education to pupils between the ages of 5 and 19.

##### ***Method of recruitment and appointment or election of Trustees***

Potential new Trustees are identified by the board, ensuring that the skills and experience of new Trustees are complementary to those of existing board members.

The Members appoint a minimum of 5 Trustees.

The Principals are treated for all purposes as being a Trustee.

In circumstances where the Trustees have not appointed at least 2 governors being parents of pupils attending the relevant Academy, there shall be a minimum of 2 Parent Trustees appointed by the Members.

##### ***Policies and procedures adopted for the induction and training of Trustees***

During the year under review the Board of Trustees met 3 times and there were 3 Full Governing Body and 13 committee meetings held across the Local Governing Bodies. The training and induction process will provide training on charity, educational, legal and financial matters. All new Trustees are welcome to visit the academies and to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally no more than one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual Trustees.

## **Aletheia Anglican Academies Trust**

### **Trustees' Report for the Year Ended 31 August 2015**

#### ***Organisational structure***

There is a clear management structure to control the way in which the Trust is run. The organisational structure consists of three levels: the Members, the Trustees and Management Board, and the Local Governing Bodies (including Senior Leadership Team) at each academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees provide the direction to the Governors who are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Management Board comprises the CEO/Accounting Officer and Primary Principals. These managers control the Academies Trust at an executive level implementing the policies laid down by the Trustees and Governors and reporting back to them. As a group the Management Board are responsible for the authorisation of spending up to a level delegated to them with agreed budgets and the appointment of staff, although appointment boards for posts in the Extended Senior Leadership Team always contain a Governor. Some spending control is devolved to members of the Extended Senior Leadership Team, with limits above which a member of the Operations management Team must countersign.

The Local Governing Bodies and the Principals control the academies on a day to day basis.

#### ***Risk management***

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

#### ***Connected organisations, including related party relationships***

The Academies Trust is not linked with any sponsors, however it continues to have close involvement with the Rochester Diocesan Board of Education, who hold title of the footprint of the land as detailed in note 14 of the accounts. Each Academy has its own PTA organisation and maintain separate voluntary funds.

The following organisations are connected to the Academies Trust:

- Saint George's Association
- Friends of St. Botolph's Northfleet - Charity number 1136599
- FOSS (Friends of Shorne School) - Charity number 1109907

## **Aletheia Anglican Academies Trust**

### **Trustees' Report for the Year Ended 31 August 2015**

#### **Objectives and activities**

##### ***Objects and aims***

In accordance with the articles of association the Charitable Company has adopted a 'Scheme of Government' approved by the Secretary of State for Education which specifies the basis for admitting students to the Academies and that the curriculum should comply with the substance of the national curriculum with an emphasis on humanities.

The Aletheia Anglican Academies Trust implements a vision to improve the life chances of children and young people so that they can fulfil their potential and lead happy and productive adult lives.

The mission of the Trust is to offer its pupils opportunities to develop as high achieving, confident, healthy, caring and fulfilled members of the society.

##### ***Objectives, strategies and activities***

The main objectives of the Academies Trust during the period ended 31 August 2015 are summarised below:

- to ensure student progress is at or above national averages;
- to develop the curriculum to meet the needs of all students;
- to maximise resources;
- to ensure good behaviour and attendance;
- to improve the effectiveness of the Academies Trust by keeping the curriculum and organisational structure under continual review;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the Academies business in accordance with the highest standards of integrity, probity and openness.

The Academies Trust's main strategy is to provide access to the best possible teaching facilities and staff. The main activities include:

- tuition and learning opportunities for all students to maximise individual academic progress;
- training opportunities for all staff, and especially teaching staff;
- a programme of sporting and after school leisure activities for all students;
- a programme of collective worship and worship based activities;
- sourcing work experience and careers advice to help students obtain employment or move on to higher education.

##### ***Public benefit***

The Aletheia Anglican Academies Trust strives to promote and support the advancement of education within the North Kent (Gravesham and Dartford) area. The schools provide an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport. For example the schools collaborate to provide maths, languages and physical education support.

Wherever possible the schools aim to contribute the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example various sports lettings and parents groups such as support for EAL parents.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.



## **Aletheia Anglican Academies Trust**

### **Trustees' Report for the Year Ended 31 August 2015**

#### **Strategic Report**

##### **Achievements and performance**

Secondary headline KS4 result was 51% achieving 5+A\*-C (including English & Maths). Although headlines were lower than previous year KS4 the cohort was significantly weaker on entry and results continued to show good progress levels as detailed below:

Progress 8 +0.21

Best 8 Value Added +1023.6

KS5 headline result was 92.9% achieving 2+ A-E passes at A-level or equivalent. A\*-B has risen to 29%, almost 10% improvement on the 2014 data.

Primary data averages; School (National)

EYFS 78.9% (National 66.2%)

KS1 Phonics Screening 77.7% (76.8%)

End of KS1 Reported Data: Level 2b+ Reading 82.5% (82.0%)

End of KS1 Reported Data: Level 2b+ Writing 73.5% (72.0%)

End of KS1 Reported Data: Level 2b+ Maths 90.0% (82.0%)

End of KS2 Reported Data: Level 5 Reading 46.0% (48.0%)

End of KS2 Reported Data: Level 5 Writing 37.0% (36.0%)

End of KS2 Reported Data: Level 5 Maths 30.5% (42.0%)

##### ***Going concern***

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academies 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.

## Aletheia Anglican Academies Trust

### Trustees' Report for the Year Ended 31 August 2015

#### *Key financial performance indicators*

	Unit	2015	2014
Student Roll: Comparison with Published Admission Numbers (PAN=1,624)	Pupil	1,507.00	993.00
Financial stability (fund balances)	£	558,533.00	205,341.00
Percentage of GAG funding spent on direct staff costs	%	86.70	84.70
Staff costs as a percentage of total expenditure (Educ. Activities)	%	75.60	76.20
Percentages of educational resources costs over total expenditure (Educational Activities)	%	4.00	8.50
Percentages of other supplies & services costs over total expenditure (Educational Activities)	%	20.40	17.20

#### **Financial review**

During the period the Academies Trust inherited the assets and liabilities in hand on 1 December 2014, the date of conversion to multi academy trust status. A net donation of £6,700,578, which includes a valuation of land and buildings, is included within income in the Statement of Financial Activities, in accordance with the EFA Accounts Direction. Fixed assets inherited are included in the Restricted Fixed Asset Fund; all other assets and liabilities, excluding the opening Local Government Pension Scheme position, are shown as a net donation into unrestricted funds. The opening Local Government Pension Scheme liability is shown within Restricted Funds.

Most of the Academy's recurrent income is obtained from the EFA in the form of the grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2015, total expenditure of £7,295,411 (note 18) was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding pension and restricted fixed asset funds) was £558,533 (note 18).

At 31 August 2015, the net book value of fixed assets was £16,831,793 and movements in tangible fixed assets are shown in note 13 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

#### *Principal risks and uncertainties*

The main risks that the Academy Trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

Reputational - this covers risks to its performance in delivering the curriculum.

Operational - There are two principal operational risks and uncertainties relating to the trust.

The future level of funding for primary and secondary education is uncertain in the current economic climate. The Trustees also set prudent budgets to enable the academies to react to changes in funding levels, if necessary.

The finances of the academies are highly sensitive to the number of pupils who are enrolled each year. The Trustees and Principals are confident that the examination successes, enhanced reputations of their academies and the local need for places will enable them to attract an increased number of pupils. Projected pupil numbers and the associated financial implications are closely monitored by Trustees and academy staff.

## **Aletheia Anglican Academies Trust**

### **Trustees' Report for the Year Ended 31 August 2015**

#### ***Financial and risk management objectives and policies***

Financial - covering risks to the Academy Trust's financial position, including revenue streams, cost control and cash management. The exposure to financial risks is minimal due to the fact that the financial instruments that it deals with are largely bank balances, cash and trade creditors with limited trade and other debtors. There is a deficit on the Local Government Pension Scheme, as described in the relevant note to the financial statements but this is subject to periodic actuarial review and in the event of academy closure, would be met by the Department for Education guarantee (July 2013).

The existence of these financial instruments exposes the Academy Trust to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - the Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

#### ***Reserves policy***

The Trust held fund balances at 31 August 2015 of £15,879,706 consisting of unrestricted funds of £316,995 and restricted funds (excluding the pension deficit) of £17,375,711.

The deficit of £1,813,000 included in the restricted funds relates to the Trusts Local Government Pension Scheme fund liability. The deficit is not an immediate liability and so funds would not have to be made available to cover this balance at short notice.

The deficit on the pension reserve relates to the non-teaching staff pension scheme where unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 26. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. Parliament agreed in July 2013 to guarantee settlement of such pension liabilities in the event of an academy closure.

The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees. The aim of all the Trustees is to increase this reserve to meet future working capital requirements.

#### ***Investment policy***

The Trustees did not adopt an investment policy in Year 1 of the Trust as the level of free reserves was not considered large enough to enable long term investment after providing a contingency to deal with unexpected emergencies such as urgent maintenance. This will continue to be reviewed by the Trustees.

#### ***Plans for future periods***

The Aletheia Anglican Academies Trust will continue to strive to improve the levels of attainment of its students at all levels.

The Trustees are committed to a policy of measured expansion within Gravesham and Dartford as encouraged by the government's multi academy trust programme. In Autumn 2015, the Trust will seek accreditation as an academy sponsor to enable it to support local academies requiring improvement, following the necessary due diligence process.

#### ***Funds held as Custodian Trustee on behalf of others***

The trust does not act as custodian trustee on behalf of any others.

## **Aletheia Anglican Academies Trust**

### **Trustees' Report for the Year Ended 31 August 2015**

#### **Auditor**

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### ***Reappointment of auditor***

A resolution to appoint an auditor for 2015/16 onwards will be proposed at the annual general meeting.

Governors' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 14 December 2015 and signed on its behalf by:



W Johnson  
Trustee

## **Aletheia Anglican Academies Trust**

### **Governance Statement**

#### **Scope of responsibility**

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

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

#### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
W Johnson	2	3
N Bird	3	3
S Carey	3	3
A Southgate	3	3
A Hamilton	2	3
Reverend J King	3	3
A Muckley	2	3
L Patla	3	3

During the year ended 31 August 2015 the full Board of Trustees fulfilled the function of a separate Finance Committee at trust level. Each constituent academy maintained a local Finance & Resources Committee which met regularly throughout the year to discuss financial matters pertinent to the individual academy, and significant matters discussed were fed up to the full Board of Trustees, via the Local Governing Bodies.

The Board of Trustees will be considering the establishment of a trust level Finance Committee, sitting as a sub-committee of the full board, during the course of 2015-16.

The Accounts Direction requires disclosure of the attendance records at trust finance committee meetings, so the trustees have concluded it is appropriate to give the following disclosures in respect of local finance committee meetings:

## **Aletheia Anglican Academies Trust**

### **Governance Statement**

Saint George's Church of England School held 4 Resource & Finance Committee meetings during the year. These meetings are reported to the FGB 3 times per year.

St. Botolph's Church of England Primary School held 3 resource and finance meetings during the year with the Headteacher, Finance Officer and 2 Governors in attendance. These Governors report to the FGB 3 times per year.

Shorne Church of England Primary School have a separate finance committee called The Finance, Personnel and Strategic Planning Committee. This committee meets at least 4 times a year with 3 being held prior to FGB meetings and 1 prior to budget setting.

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to review the year end accounts and the findings of the statutory audit. Attendance at meetings during the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
K Knight	1	1
Reverend R Oates	1	1
N Bird	1	1
A Southgate	1	1

## **Aletheia Anglican Academies Trust**

### **Governance Statement**

#### **Review of Value for Money**

As Accounting Officer the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

**Targeted Improvement:** The staffing structure and timetable is regularly reviewed to ensure that staff are efficiently deployed and educational standards continue to improve. Additional classroom support was deployed to English and maths in the form of teaching hours (to reduce class sizes) and dedicated subject assistants. Resources were targeted to enhance provision to literacy, numeracy and EAL support. Individual student progress is monitored throughout the academic year to ensure that all students are quickly and accurately assessed and appropriate interventions and support are targeted to achieve the best outcome.

**Collaboration:** Links with other local Church Schools continue to grow with the forming of the Aletheia Anglican Academies Trust (MAT) in December 2014. This has enhanced the sharing of experts for the delivery of good practice (e.g. Primary physical education provision/Financial management) and enabled cost savings through economies of scale through shared administration and procurement costs (e.g. Insurance/Reprographics).

**Better Purchasing:** Leasing arrangements, rather than outright purchase including warranties, were used to facilitate the renewal of classroom IT equipment, freeing cash to be used for other resources/projects. Such decisions are carefully considered by local governors at regular Resources and Finance Committee meetings. Expiring contracts and the replacement/renewal of equipment are considered across the Trust and the best value long term options assessed prior to quotes being obtained (e.g. boiler replacement/reprographics devices). Proposals/quotes are compared to ensure that goods and services are secured in the most economic and efficient way. There is a tender process for major works e.g. fire alarm upgrade and roofing projects. Professional advice is sought when necessary (e.g. Major building works, human resources and legal).

**Financial Governance and Management:** Financial governance and oversight is robust. Each Academy produces a 3 year benchmarked budget plan and controls are in place for all levels of management to be provided with regular budget monitoring reports. This ensures that resources are managed effectively to meet the objectives of the Academy Trust. Quarterly Responsible Officer reports further inform governors that the necessary controls are in place. Significant spending proposals are costed and presented to the Senior Leadership Teams and the Local Governing Bodies for consideration and challenge.

#### **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 Aletheia Anglican Academies Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

## **Aletheia Anglican Academies Trust**

### **Governance Statement**

#### **Capacity to handle risk**

The Board of Trustees reviews the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

#### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Trustees 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;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. , the reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

The Governing Body of Saint George's Church of England School appointed Educational Financial Services as internal auditor.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Educational Financial Services as internal auditor for the Trust for 2015/16 .

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis the internal auditor will report to the Local Governing Bodies and Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.

The Trust is able to confirm that the internal auditor delivered their schedule of work to Saint George's Church of England School as planned and that no material control weaknesses were identified as a result of their work.

#### **Review of effectiveness**

As Accounting Officer, S Carey has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.



## **Aletheia Anglican Academies Trust**

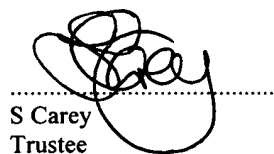
### **Governance Statement**

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 Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14 December 2015 and signed on its behalf by:



W Johnson  
Trustee



S Carey  
Trustee

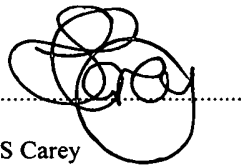
## **Aletheia Anglican Academies Trust**

### **Statement on Regularity, Propriety and Compliance**

As accounting officer of Aletheia Anglican Academies Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of 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.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

A handwritten signature in black ink, appearing to read 'S Carey', is written over a horizontal dotted line.

S Carey  
Accounting Officer

## **Aletheia Anglican Academies Trust**

### **Statement of Trustees' Responsibilities**

The Trustees (who are the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 14 December 2015 and signed on its behalf by:



W Johnson  
Trustee

## **Aletheia Anglican Academies Trust**

### **Independent Auditor's Report on the Financial Statements to the members of Aletheia Anglican Academies Trust**

We have audited the financial statements of Aletheia Anglican Academies Trust for the year ended 31 August 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Charitable Company's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's 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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of governors and auditors**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 17), the trustees (who are also the directors of the charitable company 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charitable Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Aletheia Anglican Academies Trust**

**Independent Auditor's Report on the Financial Statements to the members of Aletheia Anglican Academies Trust**

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

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

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

*UHY Kent LLP*

.....  
A Hickie BSC FCA (Senior Statutory Auditor)  
For and on behalf of UHY Kent LLP, Statutory Auditor

Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

Date: *22 December 2015*

## **Aletheia Anglican Academies Trust**

### **Independent Auditor's Assurance Report on Regularity to Aletheia Anglican Academies Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 5 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aletheia Anglican Academies Trust during the period 1 September 2014 to 31 August 2015 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 Board of Trustees and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Board of Trustees and the EFA 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 Board of Trustees and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 10 November 2014 and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 from 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the Education Funding Agency. 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 be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of Aletheia Anglican Academies Trust for the year ended 31 August 2015 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

## **Aletheia Anglican Academies Trust**

### **Independent Auditor's Assurance Report on Regularity to Aletheia Anglican Academies Trust and the Education Funding Agency**

The work undertaken to draw to our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across all of the multi-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.

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....  
A Hickie BSC FCA

For and on behalf of UHY Kent LLP, Chartered Accountants

Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

Date: 22 December 2015

# Aletheia Anglican Academies Trust

## Statement of Financial Activities for the Year Ended 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income						
Transfer on conversion	2	318,052	(493,000)	6,875,526	6,700,578	-
Other voluntary income	2	56,317	19,999	14,069	90,385	99,833
Activities for generating funds	3	164,438	-	-	164,438	152,459
Investment income	4	900	-	-	900	602
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	6,962,615	861,716	7,824,331	5,394,425
Total incoming resources		<u>539,707</u>	<u>6,489,614</u>	<u>7,751,311</u>	<u>14,780,632</u>	<u>5,647,319</u>
<b>Resources expended</b>						
<i>Charitable activities:</i>						
Academy's educational operations	7	266,163	6,899,809	602,958	7,768,930	6,028,515
Governance costs	8	-	129,157	-	129,157	47,206
Total resources expended	6	<u>266,163</u>	<u>7,028,966</u>	<u>602,958</u>	<u>7,898,087</u>	<u>6,075,721</u>
Net incoming/(outgoing) resources before transfers		<u>273,544</u>	<u>(539,352)</u>	<u>7,148,353</u>	<u>6,882,545</u>	<u>(428,402)</u>
Net income/(expenditure) for the year		273,544	(539,352)	7,148,353	6,882,545	(428,402)
<b>Other recognised gains and losses</b>						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(27,000)	-	(27,000)	183,000
Net movement in funds/(deficit)		273,544	(566,352)	7,148,353	6,855,545	(245,402)
<b>Reconciliation of funds</b>						
Funds/(deficit) brought forward at 1 September 2014	18	<u>43,451</u>	<u>(1,005,110)</u>	<u>9,985,820</u>	<u>9,024,161</u>	<u>9,269,563</u>



# **Aletheia Anglican Academies Trust**

## **Statement of Financial Activities for the Year Ended 31 August 2015** **(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

		<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total 2015</b>	<b>Total 2014</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Funds/(deficit) carried forward at 31 August 2015	18	<u>316,995</u>	<u>(1,571,462)</u>	<u>17,134,173</u>	<u>15,879,706</u>	<u>9,024,161</u>

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The academy trust's activities derive from a combination of continuing operations and acquisitions in the current year and further details are provided in note 29.

# Aletheia Anglican Academies Trust

(Registration number: 07801612)  
Balance Sheet as at 31 August 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	13	16,831,793	9,962,682
<b>Current assets</b>			
Stocks	14	3,719	3,065
Debtors	15	260,177	275,791
Cash at bank and in hand		<u>1,039,192</u>	<u>153,858</u>
		1,303,088	432,714
Creditors: Amounts falling due within one year	16	<u>(442,175)</u>	<u>(204,235)</u>
Net current assets		<u>860,913</u>	<u>228,479</u>
Total assets less current liabilities		<u>17,692,706</u>	<u>10,191,161</u>
Net assets excluding pension liability		17,692,706	10,191,161
Pension scheme liability	25	<u>(1,813,000)</u>	<u>(1,167,000)</u>
Net assets including pension liability		<u><u>15,879,706</u></u>	<u><u>9,024,161</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		241,538	161,890
Restricted fixed asset fund		17,134,173	9,985,820
Restricted pension fund		<u>(1,813,000)</u>	<u>(1,167,000)</u>
	18	15,562,711	8,980,710
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>316,995</u>	<u>43,451</u>
Total funds		<u><u>15,879,706</u></u>	<u><u>9,024,161</u></u>

The financial statements were approved by the Trustees, and authorised for issue on 14 December 2015 and signed on their behalf by:



W Johnson  
Trustee

**Aletheia Anglican Academies Trust**

**Cash Flow Statement for the Year Ended 31 August 2015**

	Note	2015 £	2014 £
Net cash inflow from operating activities	20	619,261	98,379
Returns on investments and servicing of finance	21	900	602
Capital expenditure and financial investment	22	<u>265,173</u>	<u>27,902</u>
Increase in cash in the year	23	<u><u>885,334</u></u>	<u><u>126,883</u></u>

**Reconciliation of net cash flow to movement in net funds**

Increase in cash in the year	885,334	126,883
Net funds at 1 September 2014	<u>153,858</u>	<u>26,975</u>
Net funds at 31 August 2015	<u><u>1,039,192</u></u>	<u><u>153,858</u></u>

## **Aletheia Anglican Academies Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2015**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

##### **Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

##### **Incoming resources**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

##### ***Grants receivable***

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

##### ***Sponsorship income***

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

##### ***Donations***

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

## **Aletheia Anglican Academies Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2015**

#### **1 Accounting policies (continued)**

##### ***Donated services and gifts in kind***

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

##### **Resources expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

##### ***Cost of generating funds***

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

##### ***Charitable activities***

These are costs incurred on the Academy Trust's educational operations.

##### ***Governance costs***

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

## **Aletheia Anglican Academies Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2015**

#### **1 Accounting policies (continued)**

##### **Tangible fixed assets**

Assets costing £2,000 or more either individually or as part of a project are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than leasehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

##### **Fixed asset transfer from predecessor school**

Where fixed assets were transferred to the Charitable Company from the predecessor school, these have been included as a value determined in accordance with the policy described below:

**Land** - Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it is included at its valuation on conversion within long leasehold land and buildings.

**Buildings** - In accordance with the requirements of FRS 15, specialist buildings transferred from the predecessor school are recognised at their depreciated replacements at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings.

**Other fixed assets** - Other fixed assets transferred from the predecessor school are also included at depreciated replacements cost (subject to the capitalisation limit set).

<b>Asset class</b>	<b>Depreciation method and rate</b>
Buildings	Straight line over twenty five years
Plant and machinery	Ten-twenty years
Computer equipment	Five-seven years

##### **Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

##### **Stock**

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

## **Aletheia Anglican Academies Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2015**

#### **1 Accounting policies (continued)**

##### **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 Chapter 3 Part 11 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.

##### **Pension benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust 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 quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

##### **Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

# Aletheia Anglican Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015

### 2 Voluntary income

		Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
Transfer on conversion	27	318,052	(493,000)	6,875,526	6,700,578	-
<b>Other voluntary income</b>						
Educational trips and visits		29,063	-	-	29,063	51,202
Donations - capital		-	-	14,069	14,069	10,689
Other donations		1,320	-	-	1,320	15,663
Other income		480	-	-	480	-
Insurance claim		-	6,387	-	6,387	-
General fees and charges		25,454	-	-	25,454	22,279
General fees & charges restricted income		-	5,042	-	5,042	-
Other Grants Received		-	8,570	-	8,570	-
		<u>56,317</u>	<u>19,999</u>	<u>14,069</u>	<u>90,385</u>	<u>99,833</u>
Total voluntary income		<u>374,369</u>	<u>(473,001)</u>	<u>6,889,595</u>	<u>6,790,963</u>	<u>99,833</u>

### 3 Activities for generating funds

	Unrestricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	6,757	6,757	8,871
Catering income	<u>157,681</u>	<u>157,681</u>	<u>143,588</u>
	<u>164,438</u>	<u>164,438</u>	<u>152,459</u>



# Aletheia Anglican Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015

### 4 Investment income

	Unrestricted funds £	Total 2015 £	Total 2014 £
Short term deposits	900	900	602

### 5 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £	Total 2014 £
<b>DfE/EFA capital grants</b>				
CIF Funding (2014: ACMF)	-	824,567	824,567	51,161
Devolved Capital Funding	-	37,149	37,149	20,619
	-	861,716	861,716	71,780
<b>DfE/EFA revenue grants</b>				
General Annual Grant	6,352,749	-	6,352,749	4,981,845
Other DfE/EFA grants	397,500	-	397,500	263,879
MAT Funding	100,000	-	100,000	-
	6,850,249	-	6,850,249	5,245,724
<b>Other government grants</b>				
Other grants and payments	112,366	-	112,366	76,921
<b>Total grants</b>	<b>6,962,615</b>	<b>861,716</b>	<b>7,824,331</b>	<b>5,394,425</b>

# Aletheia Anglican Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015

### 6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2015 £	Total 2014 £
<b>Academy's educational operations</b>					
Direct costs	4,728,837	482,367	738,127	5,949,331	4,679,288
Allocated support costs	<u>783,366</u>	<u>644,526</u>	<u>391,707</u>	<u>1,819,599</u>	<u>1,349,227</u>
	5,512,203	1,126,893	1,129,834	7,768,930	6,028,515
 Governance costs including allocated support costs					
	<u>1,850</u>	<u>-</u>	<u>127,307</u>	<u>129,157</u>	<u>47,206</u>
	<u><u>5,514,053</u></u>	<u><u>1,126,893</u></u>	<u><u>1,257,141</u></u>	<u><u>7,898,087</u></u>	<u><u>6,075,721</u></u>

# Aletheia Anglican Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015

### 6 Resources expended (continued)

Net incoming/outgoing resources for the year include:

	2015 £	2014 £
Operating leases	21,211	2,285
Fees payable to auditor - audit	9,650	3,975
Accountancy services from previous auditor	6,051	1,910
Depreciation	<u>641,918</u>	<u>491,301</u>

### 7 Charitable activities - Academy's educational operations

	Total 2015 £	Total 2014 £
<b>Direct costs</b>		
Teaching and educational support staff costs	4,728,837	3,683,052
Depreciation	482,367	393,041
Educational supplies	295,299	232,925
Examination fees	132,324	103,305
Staff development	37,010	21,562
Educational consultancy	173,784	133,099
Other direct costs	<u>99,710</u>	<u>112,304</u>
	<u>5,949,331</u>	<u>4,679,288</u>
<b>Allocated support costs</b>		
Support staff costs	657,366	433,703
FRS 17 service cost adjustment	126,000	95,000
Depreciation	120,591	98,260
Maintenance of premises and equipment	128,006	105,993
Cleaning	122,154	119,178
Rent, rates and utilities	221,444	166,614
Insurance	52,331	43,122
Recruitment and support	22,036	18,260
Security and transport	2,851	2,423
Catering	270,171	194,829
Bank interest and charges	144	104
Other support costs	<u>96,505</u>	<u>71,741</u>
	<u>1,819,599</u>	<u>1,349,227</u>
	<u>7,768,930</u>	<u>6,028,515</u>

# Aletheia Anglican Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015

### 8 Governance costs

	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	106,348	106,348	28,831
<b>Auditors' remuneration</b>			
Audit of financial statements	9,650	9,650	3,975
Accountancy services from previous auditor	6,051	6,051	1,910
Responsible officer audit	2,295	2,295	2,010
Support costs	1,850	1,850	8,743
Governors' training	2,963	2,963	1,737
	<u>129,157</u>	<u>129,157</u>	<u>47,206</u>

### 9 Staff costs

	2015 £	2014 £
<b>Staff costs during the year were:</b>		
Wages and salaries	4,497,736	3,459,238
Social security costs	317,657	261,207
Pension costs	648,221	591,787
Supply teacher costs	26,039	11,563
Staff restructuring costs	24,400	8,100
	<u>5,514,053</u>	<u>4,331,895</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £23,700 (2014:£8,100). Individually the payments were £14,000 and £9,700.

## Aletheia Anglican Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015

#### 9 Staff costs (continued)

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No	2014 No
<b>Charitable Activities</b>		
Teachers	82	60
Administration and support	69	42
Management	11	7
	<u>162</u>	<u>109</u>

The number of employees whose emoluments (salary and any benefits, excluding company pension contributions) fell within the following bands was:

	2015 No	2014 No
£60,001 - £70,000	-	2
£80,001 - £90,000	1	-
£90,001 - £100,000	<u>-</u>	<u>1</u>

1 (2014 - 3) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £10,912 (2014 - £32,256).

#### 10 Central services

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

- Conversion legal expenses
- Multi Academy Trust consultancy
- Insurance
- Chief Finance Office (50%)
- IT Technician support
- Consolidation of finance system
- Audit Fees
- Administrative Expenses

The trust charges for these services on the following basis:

- Pupil number ratio
- Staff (head count) number ratio

## Aletheia Anglican Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015

#### 10 Central services (continued)

	2015 £
The actual amounts charged during the year were as follows:	
St George's Church of England School	12,569
St Botolph's Church of England Primary School	2,471
Shorne Church of England Primary School	3,864
	<u>18,904</u>

#### 11 Trustees' remuneration and expenses

The Chief Executive Officer (CEO) and staff trustees only receive remuneration (salary, benefits and company pension contributions) in respect of services they provide undertaking the roles of CEO and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Trust in respect of their role as trustees. The value of trustees remuneration including pension payments was as follows:

S Carey (Principal): £85,000 - £90,000 (2014 - £Nil)

A Southgate (Principal): £35,000 - £40,000 (2014 - £105,000 - £110,000)

A Chitty (Principal): £55,000 - £60,000 (2014 - £Nil)

C Conroy (Principal): £45,000 - £50,000 (2014 - £Nil)

During the year ended 31 August 2015, travel and expenses totalling £232 (2014 - £Nil) were reimbursed to 2 trustees (2014 - 0).

Related party transactions involving the trustees are set out in note 26.

#### 12 Trustees' and officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,027 (2014 - £677).

The cost of this insurance is included in the total insurance cost.

# Aletheia Anglican Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015

### 13 Tangible fixed assets

	Long Leasehold land and buildings £	Computer equipment £	Plant £	Total £
<b>Cost</b>				
At 1 September 2014	11,098,015	181,893	92,057	11,371,965
Additions	411,754	105,077	79,712	596,543
Inherited assets	6,875,526	-	-	6,875,526
At 31 August 2015	18,385,295	286,970	171,769	18,844,034
<b>Depreciation</b>				
At 1 September 2014	1,249,124	147,074	13,085	1,409,283
Charge for the year	576,687	17,859	8,412	602,958
At 31 August 2015	1,825,811	164,933	21,497	2,012,241
<b>Net book value</b>				
At 31 August 2015	16,559,484	122,037	150,272	16,831,793
At 31 August 2014	9,848,891	34,819	78,972	9,962,682

When Saint George's Church of England School converted to an academy the building was transferred along with the surrounding land to the Academy Trust. The footprint title of the school building however remains with the Rochester Diocesan Board of Education. The value of land included in the accounts was £1 however this was increased by £1,773,526 to reflect the value of the land on conversion.

When St Botolph's Church of England School converted to an academy the building was transferred along with the surrounding land. The land element included in the accounts is £435,000.

When Shorne Church of England School converted to an academy the building was transferred along with the surrounding land. The land element included in the accounts is £771,000.

### 14 Stock

	2015 £	2014 £
Catering	3,719	3,065

# **Aletheia Anglican Academies Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2015**

### **15 Debtors**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Prepayments	151,047	160,085
VAT recoverable	33,783	55,713
Other debtors	75,347	59,993
	<u>260,177</u>	<u>275,791</u>

### **16 Creditors: amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	23,742	63,234
Other creditors	114,183	-
Accruals	279,294	27,501
Deferred income	24,956	113,500
	<u>442,175</u>	<u>204,235</u>

	<b>2013</b>
	<b>£</b>
Deferred income at 1 September 2014	113,500
Resources deferred in the period	68,313
Amounts released from previous periods	<u>(113,500)</u>
Deferred income at 31 August 2015	<u>68,313</u>

The deferred income at 31 August 2015 is made up of the following items:

EFA Capital Funding Programme £12,672  
EFA Rates Funding £13,746  
Catering Income £2,659  
Humanities Trip £5,330  
UIFSM Funding £30,208  
Devolved Capital Funding £3,698



# Aletheia Anglican Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015

### 17 Analysis of net assets between funds

### 18 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	48,563	6,352,749	(6,304,867)	-	96,445
Other DfE/EFA grant	48,431	397,500	(383,245)	-	62,686
Other government grants	64,896	112,366	(123,579)	-	53,683
Other donations	-	19,999	-	-	19,999
MAT Grant	-	100,000	(91,275)	-	8,725
	<u>161,890</u>	<u>6,982,614</u>	<u>(6,902,966)</u>	<u>-</u>	<u>241,538</u>
<b>Restricted fixed asset funds</b>					
Transfer in on conversion	9,623,551	6,875,526	(561,135)	-	15,937,942
DfE/EFA capital grants	337,785	861,716	(34,081)	-	1,165,420
Capital expenditure from GAG	11,027	-	(3,710)	-	7,317
Capital donations	13,457	14,069	(4,032)	-	23,494
	<u>9,985,820</u>	<u>7,751,311</u>	<u>(602,958)</u>	<u>-</u>	<u>17,134,173</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(1,167,000)</u>	<u>(493,000)</u>	<u>(126,000)</u>	<u>(27,000)</u>	<u>(1,813,000)</u>
Total restricted funds	8,980,710	14,240,925	(7,631,924)	(27,000)	15,562,711
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>43,451</u>	<u>539,707</u>	<u>(266,163)</u>	<u>-</u>	<u>316,995</u>
Total funds	<u>9,024,161</u>	<u>14,780,632</u>	<u>(7,898,087)</u>	<u>(27,000)</u>	<u>15,879,706</u>

## **Aletheia Anglican Academies Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2015**

#### **18 Funds (continued)**

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

The General Annual Grant is the main source of income for the Academy and is received from the Educational Funding Agency. The funding is largely based on pupil numbers and its use is restricted to the purchase of educational supplies and services.

Other DfE/EFA grants includes Pupil Premium and rates funding. Pupil Premium funding is based on FSM pupil numbers and its use is to improve the performance of disadvantaged pupils.

Other government grants represents funding received through the Local Authorities (Kent County Council and Gravesham Borough Council).

The pension reserve relates to the Academy's share of the deficit in the Local Government Pension Scheme as disclosed in the notes to the accounts.

The transfer in on conversion funds represents the assets which were transferred in to the Trust from the Local Authority and Diocese.

CIF funding is Condition Improvement Funding which is bid for annually for the purpose of major capital improvement works focused on condition and expansion.

DfE capital grant is an annual grant received for the purpose of minor capital improvements.

MAT funding is the DfE conversion grant awarded to 3 or more converters forming a Multi Academy Trust.

Unrestricted funds represents those income streams which do not carry any restrictions.

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 2015

# Aletheia Anglican Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015

### 18 Funds (continued)

#### Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
St George's Church of England School	219,032
St Botolph's Church of England Primary School	278,787
Shorne Church of England Primary School	60,714
Total before fixed assets and pension reserve	558,533
Fixed Asset Fund	17,134,173
Pension reserve	(1,813,000)
Total	<u>15,879,706</u>

#### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
St George's Church of England School	3,711,940	543,176	236,392	1,178,562	5,670,070
St Botolph's Church of England Primary School	586,041	132,006	28,281	166,197	912,525
Shorne Church of England Primary School	430,854	108,185	30,630	143,147	712,816
Academy Trust	<u>4,728,835</u>	<u>783,367</u>	<u>295,303</u>	<u>1,487,906</u>	<u>7,295,411</u>

### 19 Financial commitments

#### Operating leases

At 31 August 2015 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

#### Operating leases which expire:

	2015 £	2014 £
Other		
Within one year	-	5,998
Within two to five years	<u>72,723</u>	<u>42,355</u>
	<u>72,723</u>	<u>48,353</u>

# Aletheia Anglican Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015

### 20 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2015 £	2014 £
Net income/(expenditure)	6,882,545	(428,402)
Assets and pension deficit transferred on conversion	(6,382,526)	-
Depreciation	602,958	491,301
Donated capital and capital grants	(861,716)	(71,780)
Interest receivable	(900)	(602)
FRS17 service cost adjustment	126,000	95,000
(Increase)/decrease in stocks	(654)	1,085
Decrease/(increase) in debtors	15,614	(104,564)
Increase in creditors	237,940	116,341
Net cash inflow from operating activities	<u>619,261</u>	<u>98,379</u>

### 21 Returns on investments and servicing of finance

	2015 £	2014 £
Interest received	<u>900</u>	<u>602</u>
Net cash inflow from returns on investments and servicing of finance	<u>900</u>	<u>602</u>

### 22 Capital expenditure and financial investment

	2015 £	2014 £
Purchase of tangible fixed assets	(596,543)	(43,878)
Capital funding received from sponsors and others	<u>861,716</u>	<u>71,780</u>
Net cash inflow from capital expenditure and financial investment	<u>265,173</u>	<u>27,902</u>

### 23 Analysis of changes in net funds

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash at bank and in hand	<u>153,858</u>	<u>885,334</u>	<u>1,039,192</u>

### 24 Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while 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.

## **Aletheia Anglican Academies Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2015**

#### **25 Pension and similar obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

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

#### **Teachers' Pension Scheme**

##### **Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis-these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

## **Aletheia Anglican Academies Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2015**

#### **25 Pension and similar obligations (continued)**

##### **Valuation of the Teachers' Pension Scheme**

Not less than every four years 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £674,040 (2014:£339,627).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

Under the definitions set out in Financial Reporting Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has set out above the information available on the scheme.

##### **Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £274,000 (2014 - £204,000), of which employer's contributions totalled £210,000 (2014 - £160,000) and employees' contributions totalled £64,000 (2014 - £44,000). The agreed contribution rates for future years are 19.8 per cent for employers and 5.6 to 7.2 per cent for employees.

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.

# Aletheia Anglican Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015

### 25 Pension and similar obligations (continued)

#### Principal actuarial assumptions

	At 31 August 2015 %	At 31 August 2014 %
Rate of increase in salaries	5.00	5.00
Rate of increase for pensions in payment/inflation	3.00	3.00
Discount rate for scheme liabilities	4.00	4.00
Inflation assumptions (CPI)	3.00	3.00
RPI increases	<u>4.00</u>	<u>4.00</u>

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

	At 31 August 2015	At 31 August 2014
<b>Retiring today</b>		
Males retiring today	23.00	23.00
Females retiring today	25.00	25.00
<b>Retiring in 20 years</b>		
Males retiring in 20 years	25.00	25.00
Females retiring in 20 years	<u>28.00</u>	<u>27.00</u>

The academy's share of the assets and liabilities in the scheme were:

	At 31 August 2015 £	At 31 August 2014 £
Equities	1,289,000	879,000
Gilts	19,000	16,000
Other bonds	207,000	152,000
Property	255,000	131,000
Cash	49,000	55,000
Other	<u>81,000</u>	<u>56,000</u>
Total market value of assets	1,900,000	1,289,000
Present value of scheme liabilities - funded	<u>(3,713,000)</u>	<u>(2,456,000)</u>
Deficit in the scheme	<u>(1,813,000)</u>	<u>(1,167,000)</u>

The expected rates of return were:

# Aletheia Anglican Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015

### 25 Pension and similar obligations (continued)

	At 31 August 2015 %	At 31 August 2014 %
Equities	7.00	7.00
Gilts	3.00	3.00
Other bonds	4.00	4.00
Property	6.00	6.00
Cash	3.00	3.00
Other	<u>6.00</u>	<u>6.00</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £36,000 (2014 - £94,000).

### Amounts recognised in the statement of financial activities

	2015 £	2014 £
Current service cost	<u>306,000</u>	<u>205,000</u>
Total operating charge	<u>306,000</u>	<u>205,000</u>

### Analysis of pension finance income/(costs)

	2015 £	2014 £
Expected return on pension scheme assets	98,000	53,000
Interest on pension liabilities	<u>(128,000)</u>	<u>(103,000)</u>
Pension finance costs	<u>(30,000)</u>	<u>(50,000)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is £156,000 (2014 - £183,000).



# Aletheia Anglican Academies Trust

## Notes to the Financial Statements for the Year Ended 31 August 2015

### 25 Pension and similar obligations (continued)

#### Movements in the present value of defined benefit obligation

	2015 £	2014 £
At 1 September	2,456,000	2,058,000
Current service cost	306,000	205,000
Interest cost	128,000	103,000
Employee contributions	64,000	44,000
Actuarial (gains)/losses	(35,000)	46,000
Benefits paid	(2,000)	-
Transfer in on conversion	796,000	-
At 31 August	3,713,000	2,456,000

#### Movements in the fair value of academy's share of scheme assets

	2015 £	2014 £
At 1 September	1,289,000	803,000
Expected return on assets	98,000	53,000
Actuarial (losses)/gains	(62,000)	229,000
Employer contributions	210,000	160,000
Employee contributions	64,000	44,000
Benefits paid	(2,000)	-
At 31 August	1,597,000	1,289,000

The estimated value of employer contributions for next period is £231,000 (2014 - £144,000).

#### History of experience adjustments

Amounts for the current and previous 3 periods are as follows:

	2015 £	2014 £	2013 £	2012 £
Present value of scheme liabilities	(3,713,000)	(2,456,000)	(2,058,000)	(1,672,000)
Fair value of scheme assets	1,900,000	1,289,000	803,000	536,000
Deficit in the scheme	(1,813,000)	(1,167,000)	(1,255,000)	(1,136,000)
	2015 £	2014 £	2013 £	2012 £
Experience adjustments arising on scheme assets	(62,000)	229,000	61,000	18,000
Experience adjustments arising on scheme liabilities	-	110,000	-	-

Comparative figures have not been restated as permitted by FRS 17.

## Aletheia Anglican Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015

#### 26 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The Academy incurred the total cost of £3,289 in transactions with the Diocese of Rochester in the year.

#### 27 Conversion to an academy trust

On 1 December 2014 St. Botolph's Church of England Primary School and Shorne Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to Aletheia Anglican Academies Trust from the Kent Local Authority for £Nil consideration.

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

	Unrestricted fund	Restricted general fund	Restricted fixed asset fund	Total
	£	£	£	£
Tangible fixed assets	-	-	-	-
Freehold/leasehold land and buildings St. Botolph's CofE Primary School	-	-	2,821,000	2,821,000
Freehold/leasehold land and buildings Shorne CofE Primary School			2,281,000	2,281,000
Budget surplus on LA St. Botolph's CofE Primary funds School	238,530	-	-	238,530
Budget surplus on LA Shorne CofE Primary funds School	79,522			79,522
LGPS pension deficit St. Botolph's CofE Primary School	-	(180,000)	-	(180,000)
LGPS pension deficit Shorne CofE Primary School		(313,000)		(313,000)
Net assets/(liabilities)	<u>318,052</u>	<u>(493,000)</u>	<u>5,102,000</u>	<u>4,927,052</u>

The above net assets include £318,052 that were transferred as cash.

## Aletheia Anglican Academies Trust

### Notes to the Financial Statements for the Year Ended 31 August 2015

#### 28 Acquisitions

Due to the transfer of operations and assets and liabilities of St. Botolph's Church of England Primary School and Shorne Church of England Primary School into the multi-academy trust during the year, the multi-academy trust's activities derive from a mixture of continuing and acquired operations. The split between continuing and acquired operations, using the main headings of the Statement of Financial Activities, is as follows:

	Continuing operations	Acquired operations	Total
	£	£	£
Total incoming resources	8,231,454	6,549,178	14,780,632
Total expended resources	(6,155,865)	(1,742,222)	(7,898,087)
Actuarial gains/(losses) on defined benefit pension schem	(51,000)	24,000	(27,000)
Net movement in funds per Statement of Financial Activities	(493,000)	5,102,000	6,855,545

#### 29 Controlling party

The multi-academy trust is run by the management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.