

Anthem Schools Trust Annual Report and Accounts for the year ended 31 August 2021





Annual Report and Accounts for the year ended 31 August 2021

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Reference and Administrative Details

Members

Education Development Trust
Rebecca Clarke
David Hawker
Duncan Parkes
Peter Rawlinson

Trustees

Rebecca Clarke (*) (**) (Chair)
Jay Bhutani (**) (***)
Anthony Breslin (**) (***) (appointed 1 June 2021)
Mark Jarvis (*)
Angela McFarlane (**) (***)
Alison Macleod (**) (****)
Jonathan Simons (**) (****) (resigned 15 September 2021)
Sally Wilson (*) (**) (****)

* Members of the Finance Committee
** Members of the Education Committee
*** Members of the Audit Committee
**** Members of the People Committee

Company Secretary Accounting Officer

Sheila McKenzie
Andrew Yarrow

Education Executive Team

Chief Executive
Chief Operating Officer
Education Director
Education Director

Andrew Yarrow
Sheila McKenzie
Marie-Claire Bretherton
Jane Coley

Company Name

Anthem Schools Trust

Principal and Registered Office

Highbridge House, 16-18 Duke Street
Reading, RG1 4RU

Company Registration Number

07468210 (England and Wales)



Independent Auditors

UHY Hacker Young LLP
Quadrant House, 4 Thomas More Square
London, E1W 1YW

Bankers

Lloyds Bank Plc
24 Broad Street
Reading, RG1 2BT

Solicitors

Winckworth Sherwood LLP
Minerva House, 5 Montague Close
London, SE1 9BB



Trustees' Report

The Trustees present their annual report together with the consolidated financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published October 2019 (FRS 102).

The Trust operates eleven primary and five secondary academies in the East Midlands, London and Thames Valley. In the school census on 7 October 2021, the Trust's academies had a combined pupil capacity of 9,689 (2020: 9,632) and a roll of 8,563 (2020: 8,512).

The catchment areas and admissions policies are specific to each of the schools within the Trust. Further details are available on each school's website.

Structure, Governance and Management

Constitution

Anthem Schools Trust (Anthem) is a company limited by guarantee and an exempt charity. The charitable company's Articles of Association are the primary governing documents of Anthem. Anthem was incorporated on 13 December 2010. Anthem has entered into a funding agreement with the Department for Education which provides the framework within which all the academies must operate.

The Trustees of Anthem are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Trustees' Indemnity

In accordance with the Articles of Association, subject to the provisions of the Companies Act 2006 and Article 6.3, every Trustee or other officer or auditor of the Trust and every member of any Local Governing Body and/or Advisory Body (in so far as necessary) shall be indemnified out of the assets of the Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he/she is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust.

Principal Activities

Anthem's objects are specifically restricted to the following:

- a. To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the mainstream academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision academies") or 16 to 19 academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the special academies").
- b. In the event that the Trust establishes, maintains, carries on, manages and develops academies which are designated with a religious character, such academy shall be conducted in accordance with the tenets, practices and teachings of the designated religion; and
- c. To promote for the benefit of the inhabitants of the areas served by the academies the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Method of Recruitment and Appointment or Election of Trustees

The Members of Anthem shall comprise:

- the sponsor
- the Chair of the board of Trustees, and
- any persons appointed by the members.

The process of appointing a new Chair is to initially look within existing Board members for applications and then to approach external agencies if no suitable internal applicant is identified.

Trustees are appointed by the sponsor, Education Development Trust, of which three Trustees shall be independent in as much as they have no material or pecuniary relationship with the sponsor.

When required, new Trustees are recruited through external agencies.

The term of office for any Trustee shall be three years, save that this time limit shall not apply to the Chair of the Board, who has a term of office of four years. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed for a maximum of two terms.

A Trustee shall cease to hold office if they resign their office by notice to Anthem (but only if at least three Trustees remain in office when the notice of resignation is to take effect).

A Trustee shall cease to hold office if they are removed by the person or persons who appointed them.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are briefed regularly by the Education Executive Team on educational, financial and other school matters through a combination of briefing at board meetings, other sessions, visits to schools and



other individual meetings. An annual Board skills audit and Board Performance Review is performed to identify areas of additional training need for the Trustees.

When new Trustees join the board, tailored induction and training is provided dependent on their needs and existing experience to give them a good understanding of the wider educational context, Anthem's vision and aspirations, the operation of Anthem and their governance responsibilities. The induction process includes meetings with the Chair as well as written induction materials and visits to schools.

Organisational Structure

The board of Trustees of Anthem is constituted under the Articles of Association. The board of Trustees is responsible for ensuring that high standards of corporate governance are maintained.

Anthem has established a structure to enable its efficient running. The structure consists of three levels: the board and its committees; the executive; Local Governing Bodies and headteachers (with their senior leadership teams) at each school. The aim of the management structure is to devolve responsibility and encourage involvement in decision-making at all levels. A Scheme of Delegation laid down by the Trustees defines the roles and responsibilities at each level of the governance structure.

Trustees

As stated above, the Trustees are responsible for making major decisions about the strategic direction of Anthem and ensuring that the aims of Anthem are met.

Executive

The executive function of Anthem is responsible for developing and implementing the Trust strategy and policies; overseen by the Trustees. The Chief Executive is supported by a Chief Operating Officer and two Education Directors, with a central support team delivering key functions required to run Anthem.

The Chief Executive is the 'Accounting Officer' of Anthem.

Local Governing Bodies and Headteachers

The Local Governing Bodies are a mix of individuals from each school's local community. Their role is to support Anthem in relation to the functioning of that school under a Scheme of Delegation approved by the board of Trustees.

Each Local Governing Body has responsibility for monitoring, support and challenge within their school. The Chair of the Local Governing Body is nominated by the school, interviewed by a Trustee and Chief Executive, and appointed by the board of Trustees.

As the ultimate point of accountability for the performance of schools is the Trustees who monitor and challenge Local Governing Bodies through the Education Executive Team, and will intervene, where required, to support school improvement.

Headteachers are responsible for the effective management (including financial management) of their schools.

Staff

Anthem employed 954 (2020: 885) full time equivalent staff on average through the period. Anthem believes in providing training and development for its employees, extending opportunities impartially to



all. All employment decisions, policies and practices are made without regard to an individual's gender, race, colour, religion, sexual orientation or national origin.

During the period under review, Anthem provided training at all levels including professional support and access to internal and external continuous professional development tools. Each school will lead on a professional development offer for the staff in their schools whilst the Trust provides a trust-wide offer focusing on new and aspiring leaders. Access is provided to apprenticeships to enable career development for existing staff as well as new recruits. New staff are fully inducted, and teachers take part in training events before each school year starts and throughout the school year.

Regular staff meetings and briefings take place at trust level, and headteachers and other key staff from each school meet regularly to share knowledge and best practice via Professional Learning Networks and other working parties and research groups.

Parents and Carers

In order to achieve maximum potential in its pupils, Anthem believes it is vital that parents/carers are not only fully involved in developing our schools, but also in holding them to account. The schools have a critical role in engaging all parents/carers in either assisting pupils in their learning or in creating an environment where study can take place at home. Excellent parent/carer relationships are therefore critical to a school's success. Anthem encourages its schools to seek parental feedback through regular surveys and consultations.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust board's People Committee reviews and sets the pay and remuneration of key management personnel. This includes the Chief Executive and other members of the Education Executive Team as well as the headteachers of the schools.

Connected Organisations, including Related Party Relationships

Education Development Trust is the sponsor of Anthem and actively assists Anthem in the achievement of its objectives through the provision of research and other education support. Any services purchased by Anthem from Education Development Trust are purchased at cost, which totalled £35,718 for 2020-21 (2019-20: £591,852). Of this total £1,381 (2019-20: £563,556) was for the salaries and related costs of staff employed by Education Development Trust and seconded to Anthem. This amount has reduced significantly from the previous year as all staff transferred to Anthem under TUPE regulations on 31 August 2020. The remaining £34,336 (2019-20: £28,296) related to services provided by Education Development Trust, including provision of office accommodation and membership of the school partnership programme. Anthem has a totally independent operational and governance structure and there is no impact on policies and procedures or operations from being connected parties with Education Development Trust.

Trade Union Facility Time

The Trust employed more than 49 full time employees during the financial year and therefore it must disclose trade union facility time in accordance with the requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017. The required information is set out in the tables below:

Relevant Union Officials	
Number of employees who were relevant union officials during the year	Full time equivalent employees
11	10.75
Percentage of time spent on facility time	
Percentage of time	Number of employees
0%	4
1%-50%	7
51%-99%	0
100%	0

Percentage of pay bill spent on facility time	
Total cost of facility time	£10,323
Total pay bill	£41.5 million
% of the total pay bill spent on facility time	0.02%

Paid trade union activities	
Total spent on paid trade union activities as a percentage of total paid facility hours	0.00%

Fundraising Practices

The Trust carried out fundraising practices complying with the Charities (Protection and Social Investment) Act 2016. All fundraising is initiated at school level through approaches to parents and other members of the school local community. No external agencies are used, and any complaints would follow the school complaints policy and procedures. During the year, no complaints were recorded.

Decision-making at the Board

All matters which under the Trust's governance arrangements are reserved for decision by the Trustees, are presented at board and committee meetings. Trustees are briefed on any potential impacts and risks for any stakeholders, including pupils, parents, employees, suppliers, partners and the community, and how they are to be managed. The Trustees take these factors into account before making a final decision which together they believe is in the best interests of the Trust and its members.



Engagement with suppliers, customers, and other stakeholders

Trustees hold the Anthem vision and values, and the long-term educational and financial stability of the Trust, at the heart of all decision making. The board of Trustees engage with stakeholders to ensure that strategy and decision-making considers the impacts of all those involved.

Pupil engagement and outcomes are considered not only through the attainment results of pupils, but through the cultural capital gained in curriculum and pupil engagement in the community and with wider issues. Pupil voice activities are held throughout the year to gain pupil perspectives.

Parents and the community are represented through the Local Governing Bodies, which meet regularly to improve community engagement and Trust impact on the community. Senior Leaders are in attendance at each meeting to ensure open communication and discussion between the Trust and the Local Governing Body.

Employee engagement is discussed below, and employee surveys are conducted regularly by schools to ensure positive employee impacts and active engagement.

The Trust aims to build beneficial partnerships and arrangements with its key suppliers, developing beneficial relationships and improved quality to the Trust. The Trust aims to conduct all its business relationships with integrity and courtesy, and to honour business agreements.

Employee Information Policy

Anthem undertakes discussions with employees when making decisions that affect employee interests to ensure that employee views are reflected, and their interests are protected. The Trust has entered a Trade Union Recognition Agreement with all the major trade unions that represent staff working in our schools. These trade unions are consulted with on all policies relating to staff.

Headteachers and senior operations staff meet regularly to assist the Executive Team in determining Trust policy, strategy, and processes. The senior leaders of each school hold regular team meetings to discuss Trust developments and achieving Trust targets. The Trust's vision and values encourage open communication and feedback, with teams able to contribute feedback up the chain to improve policy and processes. The Trust has an active policy of performance management and personal development for all staff.

Objectives and Activities

Anthem Vision and Values

Our vision is that by working together, we will create ambitious and successful schools in which every child thrives.

Our shared values of integrity, collaboration and excellence provide the benchmark and the standard for our work as a Trust. They provide a frame of reference for how we relate to one another, and for what is common between our schools and our people.

What do our values stand for?



Integrity: We do the right thing and we do it well. We have a shared moral purpose that enables us to deliver on our commitments.



Collaboration: We are greater than the sum of our parts. We learn from each other, within and beyond the Trust, demonstrating unity not uniformity, and professional generosity.



Excellence: We have high expectations and aspirations for ourselves and our learners. We welcome challenge, creativity, and ambition to drive progress.

School values

Schools are at the heart of their communities and are well placed to listen and respond to local needs and opportunities. That's why, in addition to upholding Anthem's values, we believe our schools should be free to create their own values – values that are appropriate for them, their staff and the communities they serve.

School values drive our local curriculum. They shape our personalised approach to developing great learning behaviours in our schools. And they guide us in creating a culture and ethos that supports our vision.

Objectives, Strategies and Activities

Mindful of the continued disruption to strategic and operational plans from the ongoing coronavirus pandemic, Trust leaders produced a revised Trust Development Plan for implementation from January 2021 to July 2022 which sits within an ambitious five-year strategic plan.

The revised Trust Development Plan identified activities for the year under the following priority areas:

Quality of education

- Raise standards in all schools and for all groups of pupils
- Ensure the curriculum is broad and balanced, ambitious and challenging

Developing people

- Develop well-motivated and high performing staff at all levels

Strategic growth

- Further develop the Anthem culture and expand the network of schools
- Maximise resources available for all schools



Plans for Future Periods

The Trust Development Plan for 2022-23 will build on the work begun in the previous academic year, with activities under the same priority areas:

Quality of education

- Raise standards in all schools and for all groups of pupils
- Ensure the curriculum in all schools is broad and balanced, ambitious, and challenging

Developing people

- Develop well-motivated and high performing staff at all levels

Strategic growth

- Further develop the Anthem culture and expand the network of schools
- Maximise resources available for all schools

Public Benefit

In setting Anthem's objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Directors consider that the Trust's aims are demonstrably for public benefit.

Benefit and Beneficiaries

In accordance with its charitable objectives, Anthem Schools Trust strives to advance the education of the pupils attending the schools that operate through the Trust. The Trust's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout all the Trust's schools.

Streamlined energy and carbon reporting (SECR)

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021

Energy consumption used to calculate emissions (kWh)	1 September 2020 to 31 August 2021	1 September 2019 to 31 August 2020
Energy consumption break down (kWh)		
• gas	9,295,596	7,758,332
• electricity	3,088,316	2,857,528
• transport fuel	13,847	34,835
Scope 1 emissions in metric tonnes CO₂e		
Gas consumption	1,702.58	1,423.81
Electricity consumption	655.74	666.20
Owned transport – mini-buses	3.17	7.95
Total scope 1	2,361.50	2,097.96

Scope 2 emissions in metric tonnes CO₂e		
Purchased electricity	126.12	138.90
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee-owned vehicles	10.33	32.31
Total gross emissions in metric tonnes CO ₂ e	2,497.95	2,269.18
Intensity ratio		
Tonnes CO ₂ e per pupil	0.29	0.27

Quantification and Reporting Methodology:-

Anthem has followed the 2019 HM Government Environmental Reporting Guidelines. The Trust has also used the GHG Reporting Protocol – Corporate Standard and the 2021 UK Government’s Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

Anthem’s Trustees have agreed an energy efficiency strategy and is undertaking a programme of works to improve the premises at each school including switching to LED lighting and improving the thermal efficiency of buildings. The Trust has also created a decarbonisation plan and continues to investigate opportunities to reduce gas consumption in line with Government targets.

Gas and electricity consumption across the Trust has increased from 2019/20 due to increased heating following the government guidelines for increased ventilation in schools to reduce the risk of COVID-19 transmission.

Anthem moved to virtual staff meetings because of the pandemic which has reduced the need for staff travel. This has been further embedded by the move to a single Trust network and will continue beyond the pandemic.

Directors’ Assessment of Public Benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.



Strategic Report

Achievements, Performance and Key Performance Indicators

Anthem Curriculum Framework

At Anthem we are working together to create ambitious and successful schools where every child thrives. To achieve this, we know that the curriculum our pupils receive must be exceptional in its intent, as well as how well it is delivered in classrooms.

Trust and school leaders, alongside a range of expert practitioners, have collaborated to create an inspiring curriculum framework. This framework enables headteachers to develop their school curriculum, supported by the Trust's overarching vision.

The final outcome is a vibrant, detailed, and extensive impactful resource that celebrates the depth of knowledge and expertise that exists across Anthem Schools Trust. It signposts schools to evidence-based research, current thinking, and examples of best practice.

Developing Great People Strategy

Our ability to lead and develop great schools depends on our ability to develop great people within them. Nurturing our talent is vitally important to us, and we therefore want to ensure that high-quality training and professional development opportunities are available to all staff in every Anthem school.

To this end we have designed Developing Great People - our signature approach to professional support and development for all, delivered in partnership with KYRA. Developing Great People is a three-year rolling framework of programmes and other forms of professional development. It includes:

- programmes for leadership at all levels, including National Professional Qualifications (NPQs)
- other accredited programmes and national training
- mentoring and coaching programmes rooted in a review of professional needs
- training programmes for support staff, linked to National Vocational Qualifications (NVQs) and apprenticeship programmes
- professional development opportunities and training for teachers at all points in their career to become the best practitioners possible.

Cognitive Theory and Memory Curriculum project

The Cognitive Theory, Memory and Metacognition Curriculum (CTMM) is a two to three-year project which aims to provide high-quality CPD (Continued Professional Development) for all Anthem teachers and teaching assistants (TAs) on the knowledge of cognitive science needed to be effective classroom practitioners. The need for this curriculum is born out of the Ofsted focus on students 'knowing and remembering more' and Headteacher and Curriculum Leads' requests for further centralised training for all staff. Its aims and objectives are to:

- Strengthen teachers' and TAs' subject pedagogy, drawing on the science of learning and cognitive theory.
- Use effective practice from educational research to explore how children and young people learn, linking it to practical implications for classroom practice and curriculum planning.
- Strengthen the use of formative assessment to help teachers respond to, and adapt their teaching.

- Develop teachers' and teaching assistants' knowledge of metacognition so that they can support Anthem Learners to become self-regulating, motivated and independent learners.

In the programme design, careful consideration has been paid to how to blend theory, practice and coaching to allow for an impactful CPD model which leads to rapid improvement in teacher knowledge and practice. Instructional Coaching is also a key ingredient in the programme design for the CTMM project and will be used as a tool to support and guide the implementation of principles learned during CPD sessions into classrooms.

Throughout the programme, surveys and feedforwards will be used to measure understanding and the impact of sessions, and to plan the next session responsively. Schools have now all completed expressions of interest, highlighting the pathway they would like to select and when they would like to begin. The response has been overwhelmingly positive, particularly from primary schools.

Behaviour Hubs

Anthem is committed to ensuring high standards of behaviour and conduct in all its schools. The Behaviour and Attitudes Strategy Group continues to support this outcome by sharing, developing, and disseminating evidence-based research in relation to behaviour, and supports schools to develop best practice in both behaviour for learning systems and for managing student behaviour.

By participating in the newly launched national Behaviour Hub programme at both MAT and specific school level, the Trust has a focused approach to improving pupil behaviour by embedding a clear, sustainable behaviour culture in each school. At MAT level this will involve supporting schools to audit their current provision, define clear priorities for action and receive support via the programme to improve systems, develop consistent routines and access high quality CPD, all of which are known to improve pupil outcomes on both academic and emotional level.

Academic performance

Overview

For a second year running, last academic year was an unconventional one in many respects, not least in terms of GCSE and A level examinations and grades. Instead of students sitting external examinations, schools were asked to submit Teacher-Assessed Grades (TAGs) to their respective awarding bodies.

As anticipated, and as was the case with the Centre-Assessed Grades in 2020, in many cases these were significantly higher than grades awarded up to 2019 following external examinations. As a result, it is difficult to make a meaningful comparison between the 2021 grades and those from previous years.

For a second year running there were no SATs for Key Stage 2 primary school pupils or other external primary school performance measures.

At the end of 2020-21, Ofsted judgements for the Trust's schools remain unchanged from their status of the previous year:

	Number		Percentage (%)	
	2021	2020	2021	2020
Outstanding	5	5	31%	31%
Good	8	8	50%	50%
Requires Improvement	3	3	19%	19%
Special Measures	0	0	0%	0%

Primary outcomes

There were no Primary assessments in 2021 because of the coronavirus pandemic, so there are no performance outcomes to report here.

Secondary outcomes

Key Stage 4 Progress	2021	2020	Key Stage 4 Attainment	2021	2020
Progress 8	0.50	0.30	Attainment 8	47.2	46.7

Key Stage 5 performance	2021	2020
Academic A level		
Value added score	0.60	0.32
Average grade	B-	B-
Average points	37.9	35.4
Applied General (BTEC)		
Value added Score	0.52	0.36
Average grade	Dist -	Dist -
Average points	33.6	31.1

Pupil attendance

The ongoing impact of the Covid-19 pandemic has made this an extremely challenging year for monitoring school attendance. Both before and after the further national lockdown between December 2020 and March 2021, high levels of Covid-related absence were seen in schools across the country, and



Anthem schools were no exception. By the summer term 2020-21, attendance rates at Anthem primary schools were at 95.5%, and at 93% in Anthem secondary schools.

Promoting the success of the Trust

Anthem is a successful Schools Trust that primarily provides education provision to the pupils within the Trust and strives to improve the life chances of those pupils. The Trust's ability to achieve these goals depends on the trust and confidence of its stakeholders to operate sustainably in the long term. The Trust seeks to put its pupils' best interests first, invests in its employees and supports the communities in which it operates.

The Trustees, both individually and together, consider they have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

The Trust has had many successes in the year in achieving its purpose, these have been outlined above in the Trustees' reports.

Financial Review

The majority of Anthem's income is derived from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is limited to specific purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Income and expenditure for the year includes capital income, depreciation and pension scheme adjustments which are accounting adjustments and not included when operational budgets are agreed with the ESFA. Total operating income for the year was £55.6 million and operating expenditure (after accounting for transfers to the fixed asset fund) amounted to £55.3 million, resulting in an operating surplus of £0.3 million. These are shown within the unrestricted fund and restricted general fund on the Statement of Financial Activities on page 34.

As of 31 August 2021, the LGPS pension scheme was in deficit with the amount attributable to Anthem being £27.0 million, an increase of £6.0 million from last year. Formal actuarial valuations are completed every three years, the most recent being concluded by 31 March 2021.

The pension liability has increased in the year due to the impact of changes in the financial assumptions used. The rate of increase in salaries is 0.7% higher than that used at 31 August 2020, the rate of increase for pensions is 0.6% higher, CPI is 0.7% higher and RPI 0.5% higher than the rate used at 31 August 2020. The impact of the changes in financial assumptions is a £9.0 million increase in the present value of defined benefit obligations. This is disclosed within the actuarial (gain) / loss in note 26 to the financial statements.

Anthem also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), these grants are shown in the Statement of Financial Activities as restricted income in the Fixed Assets Fund. The restricted Fixed Assets Fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31 August 2021, the net book value of fixed assets was £94.5 million (2020: £96.5 million) and movements in tangible fixed assets are shown in note 13 to the financial statements. There have been additions in the year of £2.3 million (2020: £1.1 million), depreciation of £4.2 million (2020: £4.3 million) and disposals of £0.5 million (2020: an impairment of £0.7 million).

Reserves Policy

Anthem has developed a risk-based approach to setting the level of reserves held. This approach uses a three-year financial plan that identifies what level of reserves Anthem as a whole requires over that period of time. This level will ensure that the schools and Anthem can operate efficiently and without interruption, to meet all obligations as they fall due. Added to this is a contingency for unforeseen emergencies. The model is continually developing but has confirmed that the Trust should maintain a target level of reserves of between £1.5 million and £4.1 million.

The operational reserves of Anthem are those funds that are retained from the core income of the schools. These funds exclude the Fixed Asset Fund and the Pension Reserve Fund (including the initial assets 'donated' when the schools transferred and subsequent depreciation or amortisation of these assets and any deficits in relation to FRS102 pension costs). Anthem plans to meet any contributions towards pension deficits from operational income received each year.

The restricted pension reserve of £27.0 million (2020: £21.0 million) is held to offset the liability relating to the defined benefit pension liability for the Local Government Pension Scheme. This deficit would only crystallise as a liability on the closure of the Trust. In such an event Parliament has agreed to guarantee that outstanding LGPS liabilities will be met by the Department for Education.

On 31 August 2021, the Trust held Restricted General Funds of £1.8 million (2020: £1.5 million) and Unrestricted General Funds of £1.9 million (2020: £1.7 million), which is within the target level range.

Investment Policy

Cash balances across the Trust are pooled and balances not required immediately are placed on fixed-term deposit, for between three and 12 months, with a major UK bank.

Financial and Risk Management Objectives and Policies

Anthem has a formal risk management process in place to identify and assess all risks associated with the organisation; this enables the instigation of risk mitigation strategies. A Risk Register is in place which is subject to regular review. Key members of staff and Trustees are involved in the preparation of the Risk Register, overseen by the Audit Committee. The Risk Register identifies the types of risk Anthem might encounter and rates the risks in terms of likelihood and impact. This ensures that the most significant risks are highlighted, appropriate strategies implemented, and resources allocated.

The work on the strategic risk register has been extended to develop an assurance framework. This is a structured method of identifying and mapping the main sources of assurance across the Trust, ensuring the Trustees effectiveness in managing strategic risks.

As the majority of Anthem's funding is derived from the ESFA, via the Department for Education, the Trustees consider this element of funding to be reasonably secure. The most significant risks relating to this income result from changing government policy on school funding, the effect of increasing



contribution rates for stakeholder pensions, and the effect of changing pupil numbers. The Trustees have laid out their strategies for dealing with these risks within Anthem's Risk Register.

Principal Risks and Uncertainties

The board of Trustees has reviewed the key risks to which Anthem is exposed together with the operating, financial and compliance controls that have been implemented to manage those risks. The board is of the view that a formal ongoing process for identifying, evaluating and managing significant risks was in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board.

Anthem schools, as are all schools in the UK, are facing increasing financial pressures. The revenue funding from the ESFA has increased but only fully in line with salary and pension costs. In recent years the Department for Education has provided additional funding for teacher pay rises and the increase in the employer's contribution rate for teacher's pensions. However, this funding is not exact and has fallen short for some schools. In addition, no additional funding has been provided for the pay awards to support staff and the increase in employer's contributions to the Local Government Pension Scheme.

The coronavirus pandemic also presents a financial risk to Anthem through the impact of significant employee absence. The Department of Education requires all schools to stay open to all pupils however, with clinically extremely vulnerable employees having to work from home, employees testing positive with the virus and others self-isolating, the schools have significantly increased their use of supply and agency teachers to fulfil this requirement.

There is also continuing concern around the funding arrangements for capital works and the need to maintain and improve the fabric of the buildings that Anthem is responsible for.

Financial Instruments

Credit risk

Anthem has a very low credit risk. All debts are monitored on a monthly basis and any for which payment is not received within 90 days are considered for legal action.

Cash flow and liquidity

Anthem has cash and other working capital balances. The main risk arising from Anthem's financial instruments is therefore liquidity risk and Anthem considers that other risks are low or non-existent risks and therefore not material to the Trust's financial position. The Trust has a pooled deposit account across all schools to enable management of this risk.

Equal Opportunities and Disabled Persons Policies (Equalities Policy)

Anthem is committed to the principle of equal opportunities and seeks to ensure the working environment values the needs of all employees and students. It is the policy of Anthem to support the recruitment and retention of employees and students with disabilities by making resources available and through training and career development.

The Trustees believe that equality at the Trust should permeate all aspects of Trust life and is the responsibility of every member of the Trust and wider community. Every member of the Trust community should feel safe, secure, valued and of equal worth.



At Anthem, equality is a key principle for treating all people the same irrespective of their gender, ethnicity, disability, religious beliefs, sexual orientations, age or any other recognised area of discrimination.

Going Concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. This is after consideration for the impact of the COVID-19 pandemic. During 2020/21 the Trust was able to add to reserves due to savings made whilst schools were shut. It is expected there will be additional costs in 2020/21, mainly due to staff absence however the Trustees believe the Trust has sufficient reserves to cover these costs. 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.

Funds held as Custodian Trustee on behalf of others

Neither Anthem nor any of its Trustees act as a Custodian Trustee.

Auditor

In so far as all the Trustees are aware:

- there is no relevant audit information of which the Trust's external 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 external auditor is aware of that information.

Approved by order of the members of the board of Trustees on 16 December 2021 and signed on its behalf by:

Rebecca Clarke
Chair of Trustees

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Anthem 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 the Chief Executive, 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 Anthem and the Secretary of State for Education. The Accounting Officer is 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 five times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Bhutani, Jay	8	8
Breslin, Anthony	2	2
Clarke, Rebecca (Chair)	8	8
Jarvis, Mark	8	8
McFarlane, Angela	7	8
Macleod, Alison	8	8
Simons, Jonathan	4	8
Wilson, Sally	7	8

Changes to the board in the financial year are detailed in the Reference and Administrative Details on page 3.

Every full board of Trustee meeting includes a report from the Chief Executive, a report from the Chief Operating Officer, an update on governance both at Trust and local level and reports from committees. Matters discussed during the year to 31 August 2021 included:

- Performance of schools both educationally and financially;
- Reports from Ofsted and the Department for Education;
- Agreement of the Anthem vision, strategic priorities and development plan;
- Review of leadership and succession planning;
- Strategic risks, mitigations and contingencies; and
- Review of risk assessments and other arrangements relating to COVID-19.

In 2020-21 some of the board of Trustee meetings were held in schools with the host Headteacher presenting on key issues for their school. Most meetings continue to be held virtually following guidance from the Department of Education during the coronavirus pandemic in March 2020.

Every year the board of Trustee's undergoes a skills audit and self-evaluation of performance.

The Trust board has four committees; Finance, Audit, Education and People.

Finance Committee

The purpose of the Finance Committee is to provide independent oversight of the financial performance of Anthem and of its individual schools. It works closely with the Audit Committee to ensure that their activities complement each other and ensure that the Trust meets all aspects of financial compliance.

This Finance Committee provides an opportunity for detailed discussion and consideration of financial matters, with regular reporting to the full board of Trustees. It is given delegated authority for most financial decision-making, but the full board of Trustees as a whole remains accountable and still remain actively engaged in financial matters.

Matters discussed during the year to 31 August 2021 include:

- Review of finance policies;
- Agreement of financial regulations;
- Regular review of the current financial position including forecast outturns for the year, including pupil number predictions;
- Review of long term (3-5 years) financial position;
- Review of capital grants received in year for the improvement of the estate;
- Review of procurement practices and value for money; and
- Consideration of the schools' assets and fulfilment of the Trusts charitable obligations to maximise the benefit of those assets with regard to asset disposal and reinvestment.

Attendance at Finance Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Wilson, Sally (Chair)	6	6
Clarke, Rebecca	6	6
Jarvis, Mark	6	6

Audit Committee

The purpose of the Audit Committee is to:

- Support the board in its responsibilities for issues of risk control and governance. It reviews the comprehensiveness, reliability and integrity of assurances in meeting the board and Accounting Officer's assurance needs; and
- Have an independent oversight of Anthem's systems of internal control, financial reporting, safeguarding and child protection, risk management and compliance, including monitoring of the quality and effectiveness of both external and internal auditors.

Matters discussed during the year to 31 August 2021 include:

- Recommend the appointment of both internal and external auditors;
- Commission and receive reports on the internal control framework;
- Oversight of the management of safeguarding and child protection across Anthem;
- Oversight of the management of risk across Anthem;
- Development of a Board Assurance Framework;
- Oversight of the year end process and receive reports from the appointed external auditors; and
- Receive and recommend the adoption or rejection of the financial statements to the board of Trustees.

Attendance at Audit Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Bhutani, Jay (Chair)	6	6
Breslin, Anthony	1	1
McFarlane, Angela	6	6
Macleod, Alison	5	6

Education Committee

The purpose of the Education Committee is to provide an independent oversight of the educational performance of Anthem and of its individual schools.

Matters discussed during the year to 31 August 2021 include:

- Scrutiny of attainment and progress data, actual from the summer 2020 and projections for the summer 2020;
- Reports from Ofsted inspections of schools;
- Reports on the progress of disadvantaged groups of pupils;
- Reports on school improvement activity in schools; and
- Reports on safeguarding.

Attendance at Education Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Clarke, Rebecca (Chair)	4	4
Bhutani, Jay	4	4
Breslin, Anthony	0	0
McFarlane, Angela	4	4
Simons, Jonathan	0	4
Wilson, Sally	4	4

People Committee

The purpose of the People Committee is to approve the remuneration and benefits for the headteachers and the Executive and oversee the consistency of outcomes from the performance management process for headteachers and the remuneration strategy for all employees in Anthem.

Matters discussed during the year to 31 August 2021 include:

- Pay awards for teachers and support staff; and
- A review of headteacher and executive pay.

Attendance at Remuneration Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Macleod, Alison	1	1
Simons, Jonathan	1	1
Wilson, Sally	1	1

Review of Value for Money

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

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

- Working with operators in the private sector to outsource back-office functions to increase operational efficiency.
- Reducing the number of suppliers on the purchase ledger to take advantage of rebate schemes.
- Continuing to rationalise and standardise the range of education and non-educational software licences deployed across our schools.
- Investing in solutions to facilitate employees meeting and collaborating virtually, to reduce the cost of staff travel.
- Procuring standardised student assessments across the MAT to achieve a more favourable unit rate.
- Negotiate reductions in rent for office space no longer required due to increases in remote working.
- Purchasing refurbished / second-hand ICT equipment to reduce cost and electrical waste.
- Exploring renewable energy solutions such as solar PV and installing low-energy lighting systems.
- Taking advantage of government funded grant schemes for producing a Trust decarbonisation plan.

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 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 Anthem for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of Trustees has reviewed the key risks to which Anthem 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 Anthem's significant risks that have been in place for the year ended 31 August 2021 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

Anthem'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:

- A Board Assurance Framework; that identifies key strategic risks and the controls that give Trustees assurance that mitigating actions are in place;
- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines; and
- Delegation of authority and segregation of duties.

The board of Trustees considered the need for a specific internal audit function and have appointed the accountancy firm RSM to perform this function. The internal auditor's role includes giving advice on financial matters and performing a range of checks on Anthem's financial systems.

A schedule of work to be delivered by RSM is agreed annually by the Audit Committee. This schedule includes reviews of individual schools, the central function and cross-Trust functions. On a quarterly basis, RSM reports to the board of Trustees, through the Audit Committee, on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities. Areas of weakness identified require remedial actions that are monitored by the Audit Committee and confirmed as initiated at a subsequent follow up review by RSM. No material control weaknesses exist.

Review of Effectiveness

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

- The work of the internal auditor;
- The work of the external auditor; and



- The work of the executive within Anthem who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 16 December 2021 and signed on its behalf by:

Rebecca Clarke
Chair of Trustees

Andrew Yarrow
Accounting Officer



Statement on Regularity, Propriety and Compliance

As Accounting Officer of Anthem, I have considered my responsibility to notify the Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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

Approved on 16 December 2021 and signed by:

Andrew Yarrow

Accounting Officer

Statement of Trustees' Responsibilities

The Trustees (who are also 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 Annual Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial 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 year. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards (FRS 102) 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of Trustees on 16 December 2021 and signed on its behalf by:

Rebecca Clarke
Chair of Trustees



Independent Auditors' Report to the Members of Anthem Schools Trust

Opinion

We have audited the financial statements of Anthem Schools Trust (the Academy Trust) for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated strategic report.

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.

Responsibilities of Trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Academy Trust and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Academy Trust, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated income and the Academy Trust's net income for the year.

Audit procedures performed included:

- reviewing the financial statement disclosures to underlying supporting documentation
- enquiry of Trust staff in compliance functions to identify any instances of non-compliance with laws and regulations
- review of correspondence with and reports to the regulators, including correspondence with the ESFA
- enquiries of management, those charged with governance and the Trust's legal advisors and the review of relevant correspondence around actual and potential litigation and claims
- reviewing minutes of meetings with those charged with governance
- review of internal audit reports during the year and discussion and consideration of any significant matters raised
- assessing the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial



statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Colin Wright (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young LLP, Statutory Auditor

Chartered Accountants
Statutory Auditor
Quadrant House
4 Thomas More Square
London
E1W 1YW

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UHY Hacker Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



Independent Reporting Accountant's Assurance Report on Regularity to the Anthem Schools Trust and the Education & Skills Funding Agency For the year ended 31 August 2021

In accordance with the terms of our engagement letter dated 21 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Anthem Schools Trust during the period 1 September 2020 to 31 August 2021 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 Anthem Schools Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Anthem Schools Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Anthem Schools Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Anthem Schools Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Anthem Schools Trust's funding agreement with the Secretary of State for Education dated 7 June 2013 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant



matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw to our conclusion includes:

- Evaluation of the general control environment
- Confirmation that the internal delegations have been approved by the trustees, and conform to the limits set by the Department for Education
- Review of the declaration of interests to ensure completeness
- Review of minutes for evidence of declaration of interest
- Consideration of whether prior approval has been sought from the Secretary of State for transactions where approval is required
- Consideration of whether special payments and certain transactions have been made in line with ESFA requirements
- Consideration of whether any related party transactions have been made in accordance with the ESFA's limits and requirements
- Consideration of whether the Academies Trust Handbook's governance requirements have been met
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities and its funding agreement
- A sample of cash payments were reviewed for unusual transactions
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement
- Enquiry and testing of procurement with regard to limits and required tendering policies and procedures
- Consideration of whether specialist grant income has been spent on the purposes intended
- Formal representations have been obtained from the trustees and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety

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 period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young Reporting Accountant

Quadrant House
4 Thomas More Square
London
E1W 1YW

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Statement of financial activities for the year ended 31 August 2021 (incorporating income & expenditure account)

		Unrestricted fund	Restricted funds			2021	2020
	Notes		General fund	Pension fund	Fixed asset fund	Total	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:							
Donations and capital grants	2	-	54	-	1,992	2,046	2,291
<i>Charitable activities:</i>							
Funding for educational operations	3	450	53,023	-	-	53,473	50,050
Teaching schools	29	608	890	-	-	1,498	1,797
Other trading activities	4	387	215	-	-	602	969
Investments	5	5	-	-	-	5	30
Total income and endowments		1,450	54,182	-	1,992	57,624	55,137
Expenditure on:							
Raising funds	6	67	26	-	-	93	463
<i>Charitable activities:</i>							
Educational operations	7	609	52,638	2,887	4,548	60,682	57,189
Teaching schools	6, 29	658	898	-	-	1,556	1,935
Total expenditure	6	1,334	53,562	2,887	4,548	62,331	59,587
Net income/(expenditure) for the year		116	620	(2,887)	(2,556)	(4,707)	(4,450)
Transfers between funds		-	(382)	-	382	-	-
Other recognised gains and losses							
Actuarial losses on defined benefit pension schemes	26	-	-	(3,119)	-	(3,119)	(807)
Net movement in funds		116	238	(6,006)	(2,174)	(7,826)	(5,257)
Reconciliation of funds							
Total funds brought forward at 31 August 2020		1,748	1,521	(20,975)	99,191	81,485	86,742
Total funds carried forward at 31 August 2021		1,864	1,759	(26,981)	97,017	73,659	81,485

All the Trust's activities derive from continuing operations during the financial period. The pension fund has been separated to improve transparency.

Statement of financial activities for the year ended 31 August 2021 (incorporating income & expenditure account)

Comparative year information

		Unrestricted fund	Restricted funds			2020	2019
	Notes		General fund	Pension fund	Fixed asset fund	Total	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:							
Donations and capital grants	2	-	105	-	2,186	2,291	1,977
<i>Charitable activities:</i>							
Funding for educational operations	3	528	49,522	-	-	50,050	46,424
Teaching schools	29	538	1,259	-	-	1,797	1,957
Other trading activities	4	705	264	-	-	969	1,355
Investments	5	30	-	-	-	30	11
Total income and endowments		1,801	51,150	-	2,186	55,137	51,724
Expenditure on:							
Raising funds	6	375	88	-	-	463	697
<i>Charitable activities:</i>							
Educational operations	7	700	48,864	2,391	5,234	57,189	52,669
Teaching schools	6, 29	549	1,386	-	-	1,935	1,949
Total expenditure	6	1,624	50,338	2,391	5,234	59,587	55,315
Net income/(expenditure) for the year		177	812	(2,391)	(3,048)	(4,450)	(3,591)
Transfers between funds		(78)	(171)	-	249	-	-
Other recognised gains and losses							
Actuarial losses on defined benefit pension schemes	26	-	-	(807)	-	(807)	(5,242)
Net movement in funds		99	641	(3,198)	(2,799)	(5,257)	(8,833)
Reconciliation of funds							
Total funds brought forward at 31 August 2019		1,649	880	(17,777)	101,990	86,742	95,575
Total funds carried forward at 31 August 2020		1,748	1,521	(20,975)	99,191	81,485	86,742

All the Trust's activities derive from continuing operations during the financial period. The pension fund has been separated to improve transparency.

Balance Sheet as at 31 August 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	13	94,504	96,493
Current assets			
Debtors	15	2,353	2,683
Cash and cash equivalents	24	9,533	8,419
		11,886	11,102
Current liabilities			
Creditors: amounts falling due within one year	16	(5,735)	(5,109)
Net current assets		6,151	5,993
Non-current liabilities			
Creditors: amounts falling due after one year	16	(15)	(26)
Net assets excluding pension liability		100,640	102,460
Defined benefit pension scheme liability	26	(26,981)	(20,975)
Net assets including pension liability		73,659	81,485
		=====	=====
The funds of the Trust:			
Restricted funds			
Fixed asset funds	17	97,017	99,191
Restricted income funds	17	1,759	1,521
Pension reserve	17	(26,981)	(20,975)
Total restricted funds		71,795	79,737
Unrestricted funds	17	1,864	1,748
Total funds		73,659	81,485
		=====	=====

The financial statements on pages 35 to 67 were approved by the board of Trustees, and authorised for issue on 16 December 2021 and are signed on their behalf by:

Rebecca Clark
Chair of Trustees

Andrew Yarrow
Accounting Officer

Company registration no: 07468210

Cash Flow Statement for the year ended 31 August 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash from operating activities	21	1,416	1,387
		<hr/>	<hr/>
Cash flows used in investing activities			
Dividends, interest and rents from investments		5	30
Capital grants from DfE and ESFA	2	1,978	2,186
Payments to acquire tangible fixed assets	13	(2,275)	(1,089)
		<hr/>	<hr/>
		(292)	1,127
		<hr/>	<hr/>
Cash flows used in financing activities			
Repayment of borrowings	22	(10)	(10)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		1,114	2,504
		<hr/>	<hr/>
Cash and cash equivalents at 1 September 2020		8,419	5,915
		<hr/>	<hr/>
Cash and cash equivalents at 31 August 2021	24	9,533	8,419
		=====	=====



Notes to the Financial Statements for the year ended 31 August 2021

1. Statement of accounting policies

Company Information

Anthem Schools Trust is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Highbridge House, 16-18 Duke Street, Reading, Berkshire, RG1 4RU.

Basis of preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Anthem Schools Trust meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared in sterling, which is the functional currency of the company. Monetary amounts in the financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historic cost convention. A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, 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 Trust 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 and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised where there is entitlement 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.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated goods, services and gifts in kind

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

On becoming an academy, the land and property of the predecessor school was transferred to the academy for nil consideration. The valuation of the land and buildings as at the date of conversion was prepared by Lambert, Smith Hampton on a depreciated replacement cost basis.

Expenditure

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

Expenditure on raising funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

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

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

Freehold buildings	3%
Long Leasehold buildings	3%
Computer equipment	33%
Fixtures and fittings	20%
Motor vehicles	25%

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

Impairment of fixed assets

At each reporting period end date, the Trust reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had



no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of twelve months or less.

Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis are as follows:

Financial instruments are recognised in the Trust's Statement of Financial Position when the Trust becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

Stock

Immaterial stocks of uniforms and catering supplies are expensed during the year as purchased. Any material unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The 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 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.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme (TPS), the Local Government Pension Scheme (LGPS) and the Prudential Pension Scheme. The TPS and LGPS are defined benefit schemes and the Legal and General Pension Scheme a defined contribution scheme. The assets are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the 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 based on quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the 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 credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income

on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Pension Liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26 will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The Trustees estimate the useful economic lives and residual values of Buildings, Building Improvements, Computer Equipment, Furniture and Fittings and Motor Vehicles in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the Statement of Financial Activities and the Balance Sheet.

The Trustees have reviewed the carrying values of the Trust's Buildings, Building Improvements, Computer Equipment, Furniture and Equipment and Motor Vehicles.

Critical areas of judgement

The Trustees do not consider that they have made any critical judgements in the preparation of the financial statements.

2. Donations and capital grants

	Unrestricted fund £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Capital grants	-	1,978	1,978	2,186
Donated Fixed Assets	-	14	14	-
Other donations	-	54	54	105
	-	2,046	2,046	2,291
	=====	=====	=====	=====

3. Funding for the Trust's educational operations

	Unrestricted fund £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
DfE / ESFA grants				
- General Annual Grant (GAG)	-	42,988	42,988	41,095
Other DfE / ESFA grants				
- Start up grants	-	-	-	8
- UIFSM	-	495	495	515
- Pupil Premium	-	2,422	2,422	2,410
- Teacher Pay and Pension grants	-	2,082	2,082	1,966
- Others	-	1,446	1,446	1,132
	-	49,433	49,433	47,126
Other Government grants				
- Local authority grants	-	2,921	2,921	1,996
	-	52,354	52,354	49,122
Other funds				
- Other income from the Trust's educational operations	450	369	819	917
- Teaching school grants	608	890	1,498	1,797
Exceptional government funding				
- Coronavirus Job Retention Scheme grant	-	27	27	1
- Coronavirus exceptional support	-	273	273	10
Total funding	1,058	53,913	54,971	51,847
	=====	=====	=====	=====

3. Funding for the Trust's educational operations (continued)

*Following the reclassification in the Academies Accounts Direction 2020 to 2021 of some grants received from the Department for Education and ESFA, the academy trust's funding for Teacher Pay and Pension grants, Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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

- The funding received for coronavirus exceptional support covers £81k of free school meals vouchers and £192k of testing costs. These costs are included in notes 7 and 8 below as appropriate.

- The academy furloughed staff under the government's CJRS. The funding received of £27k relates to staff costs in respect of 27 employees which are included within note 8 below as appropriate.

4. Other trading activities

	Unrestricted fund £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Hire of facilities	157	-	157	147
Trip income	59	-	59	369
Sale of school uniform	8	-	8	6
Consultancy	-	215	215	264
Other income	163	-	163	183
	<hr/>	<hr/>	<hr/>	<hr/>
	387	215	602	969
	=====	=====	=====	=====

5. Investment income

	Unrestricted fund £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Bank interest receivable	1	-	1	2
Short term deposits	4	-	4	28
	<hr/>	<hr/>	<hr/>	<hr/>
	5	-	5	30
	=====	=====	=====	=====

6. Expenditure

	Non-pay expenditure			Total	Total
	Staff costs	Premises	Other costs	2021	2020
	£'000	£'000	£'000	£'000	£'000
	(note 8)				
Academies' educational operations (note 7)					
- direct costs	35,594	-	2,294	37,888	36,096
- allocated support costs	10,612	2,810	9,372	22,794	21,093
Teaching schools	776	12	768	1,556	1,935
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	46,982	2,822	12,434	62,238	59,124
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on raising funds	-	-	93	93	463
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	46,982	2,822	12,527	62,331	59,587
	=====	=====	=====	=====	=====

Net (income)/expenditure for the year includes:

	2021	2020
	£'000	£'000
Operating lease rentals	332	323
Fees paid to auditor for: -audit services	49	49
-other services	37	27
Depreciation of tangible fixed assets	4,221	4,301
Impairment of tangible fixed assets	-	715
	=====	=====

Included within expenditure are unrecoverable debts of £6,604 (2020: £4,737).

There were no individual items with a value above £5,000.

7. Charitable activities

	2021	2020
	£'000	£'000
Direct costs – educational operations	37,888	36,096
Support costs – educational operations	22,794	21,093
	<u>60,682</u>	<u>57,189</u>
	=====	=====
Analysis of support costs		
Support staff costs	10,612	8,727
Depreciation and impairment of fixed assets	4,251	5,016
Technology costs	1,077	1,140
Premises costs	2,810	2,365
Legal Fees	10	11
Other support costs	3,939	3,732
Governance costs	95	102
	<u>22,794</u>	<u>21,093</u>
	=====	=====

8. Staff costs

Staff costs during the year were:	2021	2020
	£'000	£'000
Wages and salaries	32,576	30,560
Social security costs	3,123	2,888
Operating costs of defined benefit pension scheme	9,549	8,537
Apprenticeship levy	149	135
	<u>45,396</u>	<u>42,120</u>
Supply teacher costs	1,094	945
Staff restructuring costs (see below)	64	51
	<u>46,554</u>	<u>43,117</u>
	=====	=====
Staff restructuring costs comprise:		
- Severance payments	37	51
- Redundancy payments	27	-
	<u>64</u>	<u>51</u>
	=====	=====

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £24,684 (2020: £11,302). This was a single payment of £24,684 (2020: £4,624, £3,581, £2,536 and £561).

8. Staff costs (continued)

The average number of persons (including senior management team and agency staff) employed by the Trust during the year was as follows:

	Number		FTE	
	2021	2020	2021	2020
Teachers	504	522	476	469
Administration and support (including Teaching Assistants)	564	530	412	366
Management	69	50	66	50
Total	1,137	1,102	954	885

The number of employees whose emoluments (excluding employer pension contributions) fell within the following bands was:

	2021 Number	2020 Number
£ 60,001 - £ 70,000	27	31
£ 70,001 - £ 80,000	12	5
£ 80,001 - £ 90,000	4	4
£ 90,001 - £100,000	3	2
£100,001 - £110,000	2	4
£110,001 - £120,000	3	2
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-
£160,001 - £170,000	-	-
£170,001 - £180,000	-	-
	=====	=====

All of the above employees participated in the Teachers' Pension Scheme or the Local Government Pension Scheme. During the year ended 31 August 2021, pension contributions for these staff amounted to £849,885 (2020: £778,534).

9. Central services

Anthem has provided the following central services to its academies during the year; school improvement, financial, property management, procurement, legal, governance, safeguarding, data analysis, communications and others as arising.

Anthem charges for these services based on 4% for Secondary schools and 5% for Primary schools of the General Annual Grant from the ESFA. It is not charged on Capital Grant Income, Pupil Premium Funding and income generated locally (lettings, catering, uniform sales, sponsorship, donations etc).

9. Central services (continued)

The actual amounts charged during the year were as follows:

	2021 £'000	2020 £'000
Abacus Belsize Primary School	44	45
All Saints Junior School	24	23
Abbey Woods Academy	41	40
Benjamin Adlard Primary School	53	49
Boston West Academy	78	73
The Deepings School	283	271
Gladstone Park Primary School	149	151
Grampian Primary Academy	46	47
Judith Kerr Primary School	79	79
Lincoln Carlton Academy	78	76
Mount Street Infant Academy	53	49
Meadow Park Academy	72	70
Oakbank School	114	108
Oxford Spires Academy	280	267
Queensbury Academy	245	232
St Mark's Academy	224	201
	<hr/>	<hr/>
	1,863	1,781
	=====	=====

10. Key management personnel

The key management personnel of Anthem comprise the Trustees and senior management team, as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £548,790 (2020: £613,970).

11. Trustees' remuneration and expenses

No Trustees or persons connected with them received any remuneration during the year for services as a Trustee. During the year ended 31 August 2021, travel and subsistence expenses totalling £427 (2020: £1,506) were reimbursed to 1 (2020: 5) Trustees.

12. Trustees' and Officers' insurance

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

13. Tangible fixed assets

	Freehold Land and Buildings £'000	Long Leasehold Land and Buildings £'000	Computer Equipment £'000	Furniture & Fittings £'000	Motor Vehicles £'000	Total £'000
Cost						
At 1 September 2020	20,794	97,704	4,416	4,470	48	127,432
Additions	1,122	800	228	125	-	2,275
Disposals	-	(33)	(431)	(82)	-	(546)
At 31 August 2021	21,916	98,471	4,213	4,513	48	129,161
Depreciation						
At 1 September 2020	3,740	19,596	4,223	3,338	42	30,939
Charge in year	483	3,131	151	453	3	4,221
Disposals	-	(2)	(431)	(70)	-	(503)
At 31 August 2021	4,223	22,725	3,943	3,721	45	34,657
Net book values						
At 31 August 2021	17,693	75,746	270	792	3	94,504
	=====	=====	=====	=====	=====	=====
At 31 August 2020	17,054	78,108	193	1,132	6	96,493
	=====	=====	=====	=====	=====	=====

There are leasehold assets of £5,811k held for The Deepings, where the property is held as a tenancy at will. Negotiations of the lease are ongoing; therefore, the assets have been treated as leasehold in substance and depreciated according to the Trust's depreciation policy.

14. Financial Instruments

	2021 £'000	2020 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	11,026	9,762
	=====	=====
Carrying amount of financial liabilities		
Measured at amortised cost	2,791	2,192
	=====	=====

The Trustees have considered the Trust's exposure to credit, cash flow and liquidity risks as part of its annual risk assessment procedures. Risks are assessed within the Trust's risk register and monitored throughout the year. The Trustees do not consider the Trust to be materially exposed to credit, cash flow or liquidity risk, owing to sufficient bank balances and limited debtor exposures.

15. Debtors

	2021 £'000	2020 £'000
Trade debtors	196	167
VAT recoverable	406	342
Other debtors	124	633
Prepayments and accrued income	1,627	1,541
	<hr/>	<hr/>
	2,353	2,683
	=====	=====

Included in other debtors is a balance of £nil (2020: £511k) due from the ESFA relating to additional funding for pupil number adjustments. Accrued income includes £896k (2020: £1,148k) due from the ESFA for student transport, pupil premium and national non-domestic rates reclaim.

16. Creditors

Amounts falling due within one year	2021 £'000	2020 £'000
Trade creditors	1,823	1,721
Amounts owed to related party	3	54
Other taxation and social security	700	633
Loans (see below)	10	10
Accruals and deferred income (see below)	2,133	1,900
Other creditors	1,066	791
	<hr/>	<hr/>
	5,735	5,109
	=====	=====

Creditors: amounts falling due after one year	2021 £'000	2020 £'000
Loans	15	26
	<hr/>	<hr/>
	15	26
	=====	=====

Creditors: deferred income	2021 £'000	2020 £'000
Deferred income at 1 September	1,482	1,252
Income deferred in the year	882	1,424
Amounts released from previous years	(947)	(1,194)
	<hr/>	<hr/>
Deferred income at 31 August 2021 included in accruals and deferred income above	1,167	1,482
	=====	=====

16. Creditors (continued)

Included in deferred income is £210k (2020: £347k) for universal infant free school meal funding, £453k (2020: £151k) for other ESFA grants, £92k (2020: £128k) for Local Authority grants, £250k (2020: £580k) for teaching school grants, £64k (2020: £25k) for non-government funding, and £nil (2020: £250k) from the ESFA as an advance of future funding. Also included within deferred income is £98k (2020: £85k) for funds received in advance for academy trips. These trips will be taking place during the next academic year.

Loans of £25k (2020: £36k) are from Salix and provided on the following terms: 0% interest repayable over 6 years and maturing 1 September 2023.

17. Funds

	Balance at 31 August 2020 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	1,494	42,988	(42,341)	(382)	1,759
Teacher Pay and Pension Grants	-	2,082	(2,082)	-	-
Universal Infant Free School Meals	-	576	(576)	-	-
Pupil Premium grants	-	2,422	(2,422)	-	-
Other DfE / ESFA grants	27	2,413	(2,440)	-	-
Other government grants	-	2,948	(2,948)	-	-
Other Grants	-	115	(115)	-	-
Donations and other income	-	423	(423)	-	-
Activities for generating funds	-	215	(215)	-	-
Pension reserve (note 26)	(20,975)	-	(2,887)	(3,119)	(26,981)
Total restricted general funds	(19,454)	54,182	(56,449)	(3,501)	(25,222)
Restricted fixed asset funds					
Acquired on conversion	56,486	-	(2,428)	-	54,058
DfE/ESFA capital grants	42,705	1,992	(2,120)	382	42,959
Total restricted fixed asset funds	99,191	1,992	(4,548)	382	97,017
Total restricted funds	79,737	56,174	(60,997)	(3,119)	71,795
Unrestricted fund					
Unrestricted fund	1,748	1,450	(1,334)	-	1,864
Total funds	81,485	57,624	(62,331)	(3,119)	73,659

17. Funds (continued)

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

General Annual Grant: The General Annual Grant must be used for the normal running costs of the Trust including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other DfE/ESFA and Government grants: Other grants include funding received from the DfE and Local Authorities for specific purposes.

Fixed asset fund: The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

Pension reserve: The pension reserve is the element of the local government pension fund liability attributable to the Trust (see note 26).

Transfer between funds: A transfer from restricted funds to the restricted fixed asset fund was necessary to fund capital expenditure carried out during the year.

17. Funds (continued)

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

Balance at	31 August 2019 £'000	Incoming resources £'000	Resources expended £'000	Balance at Gains, losses & transfers £'000	31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	710	41,095	(40,140)	(171)	1,494
Start Up Grant	-	8	(8)	-	-
Other DfE / ESFA grants	15	4,374	(4,362)	-	27
Other government grants	-	2,357	(2,357)	-	-
Pupil Premium grants	-	2,410	(2,410)	-	-
Digital Feedback grant	38	(34)	(4)	-	-
DfE LENS grant	117	87	(204)	-	-
Other Grants	-	90	(90)	-	-
Donations and other income	-	494	(494)	-	-
Activities for generating funds	-	269	(269)	-	-
Pension reserve (note 26)	(17,777)	-	(2,391)	(807)	(20,975)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted general funds	(16,897)	51,150	(52,729)	(978)	(19,454)
	=====	=====	=====	=====	=====
Restricted fixed asset funds					
Acquired on conversion	58,915	-	(2,429)	-	56,486
DfE/ESFA capital grants	43,075	2,186	(2,805)	249	42,705
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted fixed asset funds	101,990	2,186	(5,234)	249	99,191
	=====	=====	=====	=====	=====
Total restricted funds	85,093	53,336	(57,963)	(729)	79,737
	=====	=====	=====	=====	=====
Unrestricted fund					
Unrestricted fund	1,649	1,801	(1,624)	(78)	1,748
	=====	=====	=====	=====	=====
Total funds	86,742	55,137	(59,587)	(807)	81,485
	=====	=====	=====	=====	=====

17. Funds -Group (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £'000	2020 £'000
Abacus Belsize Primary School	(83)	-
All Saints Junior School	185	178
Abbey Woods Academy	(705)	(619)
Benjamin Adlard Primary School	80	89
Boston West Academy	530	505
The Deepings School	-	-
The Deepings SCITT	85	94
Gladstone Park Primary School	-	-
Grampian Primary Academy	92	103
Judith Kerr Primary School	-	(191)
KYRA Teaching School	166	215
Lincoln Carlton Academy	85	61
Mount Street Infant Academy	57	62
Meadow Park Academy	(394)	(449)
Oakbank School	(1,070)	(913)
Oxford Spires Academy	222	186
Queensbury Academy	(1,175)	(1,476)
St Mark's Academy	966	651
Central services	33	101
Anthem Contingency Reserve	4,549	4,672
Total funds before fixed assets and pension reserve funds	3,623	3,269
Restricted fixed asset fund	97,017	99,191
Pension reserve	(26,981)	(20,975)
Total	73,659	81,485
	=====	=====

The following academies are carrying deficits, each of these schools has a three-year financial plan in place to return the school to surplus whilst maintaining educational standards.

The reasons are as follows:

Abacus Belsize Academy: The school has had a challenging year financially which has temporarily caused a deficit. The Trust is working closely with Abacus Belsize to manage this and expect the deficit to be repaid over the next few years.

Abbey Woods Academy: The school is currently judged as requires improvement by Ofsted, so the Trustees have chosen to invest in teaching and learning to improve educational standards.

Meadow Park Academy: The Trust has been working closely with the school to ensure robust financial management to reduce the accumulated deficit, which is evidenced by the in-year surplus.

17. Funds – Group (continued)

Oakbank School: The school has a historical deficit and faces challenges to deliver the full GCSE curriculum with low pupil admission number (PAN). Oakbank is currently judged as requires improvement by Ofsted, so the Trustees have chosen to invest in teaching and learning to improve educational standards.

Queensbury Academy: The school has a historical deficit following a government approved age range change. The school has generated an in-year surplus through tight financial controls for two consecutive years thus significantly reducing the deficit.

17. Funds – Group (continued)

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

	Teaching & Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs * (Excluding Depreciation)	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Abacus Belsize Primary	901	140	5	675	1,721	1,654
All Saints Junior School	453	76	7	139	675	682
Abbey Woods Academy	758	239	2	284	1,283	1,304
Benjamin Adlard Primary	1,129	215	54	257	1,655	1,424
Boston West Academy	1,474	260	39	250	2,023	1,815
The Deepings	5,603	1,591	65	1,256	8,515	8,188
The Deepings SCITT	273	-	-	467	740	647
Gladstone Park Primary	2,824	732	8	367	3,931	3,889
Grampian Primary	869	330	13	282	1,494	1,398
Judith Kerr Primary	1,173	339	2	354	1,868	1,837
KYRA Teaching School	277	225	-	312	814	1,295
Lincoln Carlton Academy	1,473	475	27	195	2,170	2,055
Mount Street Academy	1,129	394	30	233	1,786	1,569
Meadow Park Academy	1,258	401	11	277	1,947	1,942
Oakbank School	2,359	584	25	602	3,570	3,230
Oxford Spires Academy	5,625	1,383	31	1,224	8,263	7,403
Queensbury Academy	4,649	1,048	132	946	6,775	6,056
St Mark's Academy	3,916	1,143	166	1,285	6,510	6,107
Central Services	-	1,621	-	422	2,043	1,865
	<u>36,143</u>	<u>11,196</u>	<u>617</u>	<u>9,826</u>	<u>57,782</u>	<u>54,360</u>
	=====	=====	=====	=====	=====	=====

* Excluding depreciation (£4,221k), and capital grant funded expenditure (£298k).

18. Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total funds 2021 £'000
Tangible fixed assets	-	-	94,504	94,504
Current assets	1,864	7,509	2,513	11,886
Current (and non-current) liabilities	-	(5,750)	-	(5,750)
Pension scheme liability	-	(26,981)	-	(26,981)
Total net assets	1,864	(25,222)	97,017	73,659
	=====	=====	=====	=====

Fund balances at 31 August 2020 are represented by:

	Unrestricted fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total funds 2020 £'000
Tangible fixed assets	-	-	96,493	96,493
Current assets	1,748	6,656	2,698	11,102
Current (and non-current) liabilities	-	(5,135)	-	(5,135)
Pension scheme liability	-	(20,975)	-	(20,975)
Total net assets	1,748	(19,454)	99,191	81,485
	=====	=====	=====	=====

19. Capital commitments

	2021 £'000	2020 £'000
Contracted for, but not provided in the financial statements	58	-

20. Operating lease commitments

At 31 August 2021, the total of the Trust's future minimum lease payments under non-cancellable operating leases were:

	2021 £'000	2020 £'000
Due within one year	273	312
Due in one to five years	462	340
Due after five years	92	763
	<u>827</u>	<u>1,415</u>
	=====	=====

21. Reconciliation of net (loss)/income to net cash used in operating activities

	2021 £'000	2020 £'000
Net movement in funds for the year	(7,826)	(5,430)
Depreciation (note 13)	4,221	4,301
Impairment of tangible fixed assets (note 13)	-	715
Disposal of tangible fixed assets (note 13)	43	-
Capital grants from DfE and other capital income	(1,978)	(2,186)
Interest receivable (note 5)	(5)	(30)
Defined benefit pension scheme cost less contributions payable (note 26)	3,119	2,391
Defined benefit pension scheme finance cost (note 26)	2,887	807
Decrease / (increase) in debtors	330	(139)
Increase in creditors	625	958
	<u>1,416</u>	<u>1,387</u>
	=====	=====

22. Cash flows used in financing activities

	2021 £'000	2020 £'000
Repayments of borrowing -Salix loan	(10)	(10)
	<u>(10)</u>	<u>(10)</u>
	=====	=====

23. Cash flows used in investing activities

	2021 £'000	2020 £'000
Dividends, interest and rents from investments	5	30
Capital grants from DfE / ESFA	1,978	2,186
Capital funding received from others		-
Payments to acquire tangible fixed assets	(2,275)	(1,089)
	<hr/>	<hr/>
Net cash used in investing activities	(292)	1,127
	=====	=====

24. Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash in hand and at bank	2,445	3,111
Notice deposits (less than 3 months)	7,088	5,308
	<hr/>	<hr/>
	9,533	8,419
	=====	=====

25. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the Trust 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 (2020: £10) for the debts and liabilities contracted before he/she ceases to be a member.

26. Pension and similar obligations

The Trust's employees belong to two principal pension schemes: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedfordshire, Brent, Camden, Derbyshire, Lincolnshire, Merton, Oxfordshire, Berkshire and Southwark County Councils

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS was 31 March 2016.

There were £801,871 outstanding contributions at the end of the financial year (2020: £603,525).

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. 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 Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers paid an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

A copy of the latest valuation report can be found by following this [link](#) to the Teachers' Pension Scheme website.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

26. Pension and similar obligations (continued)

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution 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 2021 was £2,596k (2020: £2,305k), of which employer's contributions totalled £2,030,058k (2020: £1,790k) and employees' contributions totalled £566k (2020: £515k). The agreed contribution rates for future years are between 17.5% and 35.0% (2020: 17.5% and 35.0%) for employers and averages between 5.5% and 12.5% (2020: 5.5% and 12.5%) for employees.

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

Principal Actuarial Assumptions:	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.6%	2.9%
Rate of increase for pensions	2.9%	2.3%
Discount rate for scheme liabilities	1.7%	1.7%
Inflation assumption (CPI)	2.9%	2.2%
Retail price index assumption (RPI)	3.2%	2.7%

The Trust entered into three-year agreements ended March 2023 to make contributions in addition to normal funding levels for the London Borough of Merton Pension Fund and the Lincolnshire County Council Pension Scheme, both of which are in deficit.

Triennial valuations are being carried out to reassess the position; no agreements for additional contributions have been made.

The below table, as produced by AON Hewitt Ltd, Barnett Waddingham and Hymans Robertson sets out the impact of a small change in the discount rates on the defined benefit obligations and projected service cost along with a plus/minus 1-year age rating adjustment to the mortality assumption.

26. Pension and similar obligations (continued)

	Approximate increase in employer's liability	
	2021	2020
	£'000	£'000
0.1% - 0.5% decrease in real discount rate	4,549	2,330
1-year increase in member life expectancy	4,880	2,778
0.1% increase in salary increase rate	4,006	1,595
0.1% increase in employer's liability	4,512	2,258

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

	At 31 August 2021 (years)	At 31 August 2020 (years)
Retiring today		
Males	21.6	21.7
Females	24.1	24.0
Retiring in 20 years		
Males	22.8	22.9
Females	25.7	25.5

The Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equity instruments	25,305	19,219
Debt instruments	6,441	6,028
Property	3,062	2,430
Cash	1,181	906
	<hr/>	<hr/>
Total market value of assets	35,989	28,583
	=====	=====

Actual return on scheme assets was £4,736k (2020: £(584k)).

Amounts recognised in the Statement of Financial Activities

	2021 £'000	2020 £'000
Current service cost (net of employee contributions)	4,533	3,842
Net interest cost	384	339
	<hr/>	<hr/>
Total operating charge	4,917	4,181
	=====	=====

26. Pension and similar obligations (continued)

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

	2021 £'000	2020 £'000
At 1 September	49,558	44,521
Current service cost	4,520	3,837
Interest cost	840	834
Employee contributions	566	515
Actuarial (gain) / loss	7,925	129
Benefits paid	(560)	(283)
Past service cost	13	5
Effect of non-routine settlements	108	-
	<hr/>	<hr/>
At 31 August	62,970 =====	49,558 =====

Changes in the fair value of Trust's share of scheme assets were:

	2021 £'000	2020 £'000
At 1 September	28,583	26,744
Interest income	482	495
Actuarial gain / (loss)	70	(94)
Return on plan assets (excluding net interest on the net defined pension liability)	4,736	(584)
Employer contributions	2,030	1,790
Employee contributions	566	515
Benefits paid	(560)	(283)
Effect of non-routine settlements	82	-
	<hr/>	<hr/>
At 31 August	35,989 =====	28,583 =====

27. Related party transactions

Owing to the nature of the Trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

All such services were purchased at cost only and amounted to £36k (2020: £592k); £1k (2020: £564k) relates to the recharge of salaries and related costs for staff seconded from Education Development Trust to the Trust and the remaining £34k (2020: £28k) is for services provided by Education Development Trust staff to the Trust. All staff contracts transferred under TUPE regulations to Anthem Schools Trust on 31/08/2020.

27. Related party transactions (continued)

The Trust sold services to its sponsor Education Development Trust during the year that amounted to £4k (2020: £27k). At the 31 August 2021 Anthem Schools Trust owed to Education Development Trust £3k (2020: £2k owed by Education Development Trust), which is included in other creditors.

During the year the Trustees of Education Development Trust awarded a grant of £nil (2020: £18k) to the Trust to invest in leadership development and school improvement.

28. Agency Arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021, the Trust received £42k and disbursed £42k from the fund. An amount of £nil is included in other creditors relating to undistributed funds that is repayable to ESFA.

The Trust distributes training bursary funds to trainees as an agent for the DfE. In the accounting period ending 31 August 2021, the Trust received £333k and disbursed £333k. An amount of £nil is included in creditors relating to undistributed funds that is repayable to the DfE.

29. Teaching schools trading account

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Income						
Direct Income						
Other Income		774			807	
Other Income						
Fundraising and other trading		<u>724</u>			<u>996</u>	
Total Income			1,498			1,803
Expenditure						
Direct costs						
Direct staff costs	550			546		
Staff development	3			5		
Other direct costs	<u>627</u>			<u>956</u>		
Total direct costs		1180			1,507	
Other costs						
Support staff costs	225			231		
Technology costs	6			7		
Other support costs	128			197		
Share of governance costs	16			-		
Total other costs		<u>375</u>			<u>435</u>	
Total Expenditure			1,555			1,942
(Deficit) / Surplus from all sources			(57)			(139)
Teaching school balances at 1 September 2020			<u>315</u>			<u>454</u>
Teaching school balances at 31 August 2021			<u>258</u>			<u>315</u>

This note shows the results of the KYRA teaching school run by Mount Street academy and the school centred initial teacher training (SCITT) programme run by The Deepings.

30. Events after the end of the reporting period

There are no significant subsequent events after the year end to report.