

# **Anthem Schools Trust Annual Report and Accounts for the year ended 31 August 2022**





# Annual Report and Accounts for the year ended 31 August 2022

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## Reference and Administrative Details

### Members

Jay Bhutani  
David Hawker  
Duncan Parkes  
Heather Dawson

### Trustees

Jay Bhutani (\*) Chair  
Rebecca Clarke (\*) (\*\*)  
Martin Coles (\*\*) (\*\*\*\*)  
Anthony Breslin (\*\*) (\*\*\*)  
Mark Jarvis (\*\*\*)  
Angela McFarlane  
Alison Macleod (\*\*\*) (\*\*\*\*)  
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  
Sheila McKenzie

### Education Executive Team

Chief Executive (Interim)  
Education Director  
Education Director  
Director of People

Sheila McKenzie  
Marie-Claire Bretherton  
Jane Coley  
Helen Barker

### 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 2022. 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 6 October 2022, the Trust's academies had a combined pupil capacity of 9,689 (2021: 9,689) and a roll of 8,665 (2021: 8,563).

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

The process of appointing a new Chair of the board of Trustees 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 Members. When required, new Trustees are recruited through external agencies.

The term of office for any Trustee shall be 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 five 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. Board skills audits and Board Performance Reviews are performed every two years 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 two Education Directors and a Director of People, 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.

The main delegated responsibilities for each Local Governing Body are supporting the Trust's strategy and development plan, providing understanding of the local context and the challenges and opportunities this presents and acting as a sounding board for the school's leadership team. 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 911 (2021: 954) 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.

### **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/carers 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 stepped down as sponsor and a Member of Anthem on 9 May 2022. Any services purchased by Anthem from Education Development Trust whilst they were a sponsor and Member were purchased at cost, which totalled £19,224 for 2021-22 (2020-21: £35,718). Of this total £nil (2020-21: £1,381) 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 £19,224 (2020-21: £34,336) related to services provided by Education Development Trust, including provision of office accommodation, membership of the school partnership programme and work experience placement support. 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:

| <b>Relevant Union Officials</b>  |                                       |
|--|---------------------------------------|
| <b>Number of employees who were relevant union officials during the year</b> | <b>Full time equivalent employees</b> |
| 8  | 7.6                                   |
| <b>Percentage of time spent on facility time</b>                             |                                       |
| <b>Percentage of time</b>  | <b>Number of employees</b>            |
| 0%   | 5                                     |
| 1%-50%   | 3                                     |
| 51%-99%  | 0                                     |
| 100%   | 0                                     |

| <b>Percentage of pay bill spent on facility time</b> |               |
|--|---------------|
| Total cost of facility time                          | £9,517        |
| Total pay bill                                       | £43.2 million |
| % of the total pay bill spent on facility time       | 0.02%         |

| <b>Paid trade union activities</b>  |       |
|---|-------|
| 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 ongoing disruption to strategic and operational plans from the 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.

## 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:**
  - Strengthen leadership at all levels.
  - Embed new roles and responsibilities within the Anthem School Improvement Team.
  - Develop and align 'Trust and schools' use of data to ensure accuracy in predictions and effective interventions leading to high-quality outcomes for all pupils.
- **Ensure the curriculum in all schools is broad and balanced, ambitious, and challenging:**
  - Review the 'Trust and schools' curriculum intent, quality, and substance to improve outcomes and experiences for all pupils.
  - Focus on quality of classroom practice to strengthen teachers' subject pedagogy, drawing on the science of learning and cognitive theory.

### Developing people

- **Develop well-motivated and high performing staff at all levels:**
  - Ensure consistency, quality, and integrity to performance, pay and reward.
  - Lead quality and collaborative approaches to employee communications, relations, engagement, health and wellbeing.
  - Ensure that support staff are as well trained and developed as teaching staff, and we have a strong pipeline of recruitment for teachers.

### Strategic growth

- **Further develop the Anthem culture and expand the network of schools:**
  - Raise the profile of Anthem and its schools to maximise growth.
- **Maximise resources available for all schools:**
  - Improve the quality and effectiveness of the school estate ensuring the school environment is of a high standard and supportive of an ambitious culture of a place to thrive.
  - Develop a digital strategy that supports our vision for education, ensuring that the IT infrastructure, governance, and support structures are in place to support the other goals.

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 2021 to 31 August 2022

| Energy consumption used to calculate emissions (kWh)      | 1 September 2021 to 31 August 2022 | 1 September 2020 to 31 August 2021 |
|---|------------------------------------|------------------------------------|
| <b>Energy consumption break down (kWh)</b>                |                                    |                                    |
| • gas   | 8,042,011                          | 9,295,596                          |
| • electricity   | 4,045,613                          | 3,088,316                          |
| • transport fuel  | 183,178                            | 13,847                             |
| <b>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</b> |                                    |                                    |
| Gas consumption   | 1,467.99                           | 1,702.58                           |
| Electricity consumption                                   | 782.34                             | 655.74                             |
| Owned transport – mini-buses                              | 16.03                              | 3.17                               |
| Total scope 1   | 2,266.36                           | 2,361.50                           |
| <b>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</b> |                                    |                                    |
| Purchased electricity                                     | -                                  | 138.90                             |
| <b>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</b> |                                    |                                    |
| Business travel in employee-owned vehicles                | 28.48                              | 32.31                              |
| Total gross emissions in metric tonnes CO <sub>2</sub> e  | 2,294.84                           | 2,269.18                           |
| <b>Intensity ratio</b>                                    |                                    |                                    |
| Tonnes CO <sub>2</sub> e per pupil                        | 0.26                               | 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 CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

### Measures taken to improve energy efficiency

Anthem is developing an energy efficiency strategy through a working group. This group is undertaking a programme of works to reduce energy consumption through measures such as LED lighting, improving the thermal efficiency of buildings and challenging attitudes around energy use.



The Trust is also working alongside external organisations to develop a decarbonisation plan and continues to investigate opportunities to reduce gas consumption in line with Government targets.

### **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 teacher development project**

A key strategy in our Trust Development Plan is to strengthen teachers' subject pedagogy drawing on the science of learning and cognitive theory. Our aim is to ensure that every Anthem teacher and leader is supported to improve their practice and curriculum design to maximise learning. This is an ambitious project intended to reach every teacher in every school. The early implementation began in March 2021 and the project will be ongoing to July 2024.

There are two inter-related strands of work – the Cognitive Theory Memory and Metacognition (CTMM) Programme, supported by the implementation of Instructional Coaching:

#### **1. Cognitive Theory Memory and Metacognition (CTMM)**

The CTMM Programme is a two-to-three-year evidence-informed programme which aims to train teachers and teaching assistants across Anthem schools in the principles of cognitive theory, memory and metacognition. It is designed to build a shared understanding of how pupils know and remember more and a shared language which is used across our schools when discussing curriculum planning, lesson delivery, and when talking to students about their learning.

#### **2. Instructional Coaching**

Integral to the implementation of the CTMM Programme is Anthem's Instructional Coaching Programme, which provides colleagues with bespoke support to help them implement CTMM-informed approaches in their classrooms. This programme is being gradually rolled out across Anthem schools, with expert practitioners and schools piloting the programme in 2021-22.

Instructional Coaching is a CPD model which provides teachers and teaching assistants with weekly/fortnightly feedback on specific aspects of their practice. This granular, practice-focused approach leads to rapid teacher development as action steps are practiced and automated.

#### **Building for the future at Queensbury Academy**

This year has seen the beginning of an ambitious refurbishment and rebranding programme at Queensbury Academy to strengthen its position as a successful, sustainable school for the local community.

The ultimate goal of the project is to improve the school's facilities, design, and layout. During the course of the summer term, the school's science laboratories were completely refurbished and significant progress was also made towards replacing Queensbury's windows, with 65% of the windows replaced. This will improve heat retention during the winter and reduce energy costs, thereby lowering the



school's carbon footprint. The next phase of the project, refurbishment of Queensbury's West Block, gets underway in September 2022.

Alongside the refurbishment project, Queensbury worked with Anthem's Head of Communications and a branding agency to develop a new visual identity to more accurately reflect the school's aspirations.

## Academic performance

### Ofsted overview

At the end of 2021-22, Ofsted judgements for Anthem schools remain unchanged from their status of the previous year.

|                             | Number |      | Percentage (%) |      |
|-----------------------------|--------|------|----------------|------|
|                             | 2022   | 2021 | 2022           | 2021 |
| <b>Outstanding</b>          | 5      | 5    | 31%            | 31%  |
| <b>Good</b>                 | 8      | 8    | 50%            | 50%  |
| <b>Requires Improvement</b> | 3      | 3    | 19%            | 19%  |
| <b>Special Measures</b>     | 0      | 0    | 0%             | 0%   |

### Primary outcomes

Although the government has decided not to publish KS2 school-level data for the 2021 to 2022 academic year, we are proud of the results achieved by our Year 6 pupils in this first year of SATS following their two-year hiatus, so have included them in this report.

| Progress |         |       | % meeting expected standard |         |       |
|----------|---------|-------|-----------------------------|---------|-------|
| Reading  | Writing | Maths | Reading                     | Writing | Maths |
| 0.9      | -0.7    | 1.0   | 77.4                        | 68.3    | 74.8  |

Trust-wide improvements in Reading since 2019 are particularly pleasing, as this has been a focus of our work at Primary over the past few years. From 2019 to 2022 there has been an increase rise nationally of 1%, Anthem raised by 9%.

Standout individual school performances came from Abacus Belsize Primary, All Saints Juniors and Judith Kerr Primary, which achieved results 10% or more above the national average in all three subject areas. Abbey Woods Academy achieved 10% higher than the national average in Reading, and Gladstone Park's results in maths were 11% above this benchmark.

### Secondary outcomes

Given the uneven impact of the pandemic on school and college performance data, the government has said direct comparisons to performance data from previous years should not be made. We have therefore only included performance data from Summer 2022 in our report.



| Key Stage 4       | Progress         | Attainment      |
|-------------------|------------------|-----------------|
|                   | -0.08            | 45.9            |
| Key Stage 5       | Academic A Level | Applied General |
| Value added score | -0.12            | 0.14            |
| Average grade     | C+               | Dist-           |
| Average points    | 33.41            | 30.63           |

### 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 2022 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 £57.7 million and operating expenditure (after accounting for transfers to the fixed asset fund) amounted to £58.1 million, resulting in an operating deficit of £0.4 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 2022, the LGPS pension scheme was in deficit with the amount attributable to Anthem being £3.8 million, a reduction of £23.2 million from last year. Formal actuarial valuations are completed every three years, the most recent being concluded by 31 March 2022.

The pension liability has temporarily reduced in the year due to the impact of changes to the discount rate on the level of future liabilities. The discount rate has increased as it is determined by reference to market yields on high quality corporate bonds at the reporting date which were temporarily high at 31

August 2022. This is disclosed within the actuarial (gain) / loss in note 26 to the financial statements. Anthem has employees who are members LGPS pension funds for several different regions with some pension funds now in surplus due to the reduction of the pension liability. Although in surplus these funds do not meet the criterion for an asset as we expect the position to return to a deficit and Anthem does not expect to receive these funds. Therefore, we have adjusted those pension funds to a breakeven position and shown the adjustment as a separate line 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 2022, the net book value of fixed assets was £114.0 million (2021: £94.5 million) and movements in tangible fixed assets are shown in note 13 to the financial statements. There have been additions in the year of £2.6 million (2021: £2.3 million), depreciation of £3.4 million (2021: £4.2 million) and disposals of £nil million (2021: an impairment of £0.5 million). There have been revaluations of land and buildings for 11 schools in the year which have increased the value by £20.2 million (2021: £nil 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 £3.9 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 £3.8 million (2021: £27.0 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 2022, the Trust held Restricted General Funds of £1.1 million (2021: £1.8 million) and Unrestricted General Funds of £2.1 million (2021: £1.9 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.

## **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 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board.

As with all school trusts in England, the Trust is facing significantly increased financial pressures. The impact of the war in Ukraine on energy prices has led to a five-fold increase in the Trust energy costs. Although work is underway to reduce energy usage this will not significantly reduce the impact on the Trusts financial position. In addition, the unfunded 2022 pay award for teachers and support staff has led to further pressure and the need to make cuts in expenditure including staffing.

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. The year ahead will be challenging due to the financial pressures from energy price rises and the level of inflation.

However, Anthem is starting the year in a sound financial position and the Trustees believe the level of reserves is sufficient to cover these costs in the immediate future. Looking forward, if the current economic instability continues, Trustees are confident that further cost pressures can be mitigated by reducing staffing and postponing capital expenditure. 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 20 December 2022 and signed on its behalf by:

**Jay Bhutani**  
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            | 6                 | 6                 |
| Breslin, Anthony        | 5                 | 6                 |
| Clarke, Rebecca (Chair) | 6                 | 6                 |
| Coles, Martin           | 1                 | 2                 |
| Jarvis, Mark            | 4                 | 6                 |
| McFarlane, Angela       | 6                 | 6                 |
| Macleod, Alison         | 6                 | 6                 |
| Wilson, Sally           | 5                 | 6                 |

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 2022 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 2021-22 most meetings were held virtually with Trustees visiting schools independently.

Every two years the board of Trustees undergoes a skills audit and self-evaluation of performance.

The Board of Trustees and all Local Governing Bodies maintain a register of all declared personal/business interests and declare any conflicts of interest at the beginning of each meeting. Any individuals are required to absent themselves from any discussion in which it is possible that a conflict will arise between their duty to act solely in the interests of the Trust and any personal or business interest or duty. This also applies to all employees, consultants and volunteers.

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 2022 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) | 5                 | 5                 |
| Clarke, Rebecca       | 5                 | 5                 |
| Jarvis, Mark          | 3                 | 5                 |

### 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 2022 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;
- Review of the strategic risk register and 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     | 5                 | 6                 |
| 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 2022 include:

- Scrutiny of attainment and progress data, actual from the summer 2021 and projections for the summer 2022;
- 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        | 4                 | 4                 |
| Coles, Martin           | 1                 | 1                 |
| McFarlane, Angela       | 4                 | 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 2022 include:

- Pay awards for teachers and support staff; and
- A review of headteacher and executive pay.
- Development of the People Strategy
- Development of improved Performance Management processes

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

| Trustee         | Meetings attended | Out of a possible |
|-----------------|-------------------|-------------------|
| Clarke, Rebecca | 2                 | 2                 |
| Macleod, Alison | 2                 | 2                 |
| Wilson, Sally   | 2                 | 2                 |

## Review of Value for Money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of 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:

- Negotiating with energy providers to find the best price for gas and electric supplies in 2022/23
- Investigating and initiating energy efficiency solutions such as a LED lighting for all schools, replacement of boilers and rationalising energy usage.
- Reviewing the estate to identify improvements to enhance the learning environment, in particular delivery of a major refurbishment of part of the Queensbury Academy
- Continuing the move to a centralised ICT support service including:
  - Development of a standardised configuration of ICT infrastructure sourced from a single supplier
  - Purchasing IT licenses and hardware centrally
  - Creating a trust wide support team
- Procuring standardised student assessments and exercise books across the MAT to achieve a more favourable unit rate
- Continuing to rationalise and standardise the range of education and non-educational purchases & subscriptions across the trust to ensure value for money



## **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 2022 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 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

## **The Risk and Control Framework**

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 Risk Register and 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 20 December 2022 and signed on its behalf by:

**Jay Bhutani**  
Chair of Trustees

**Sheila McKenzie**  
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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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 20 December 2022 and signed by:

**Sheila McKenzie**  
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 2021 to 2022 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 2021 to 2022;
- 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 20 December 2022 and signed on its behalf by:

**Jay Bhutani**  
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 2022 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 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 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 2021 to 2022.

### **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

..... 2022

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 2022**

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 2021 to 2022, 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 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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



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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy 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 2021 to 31 August 2022 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

..... 2022

## Statement of financial activities for the year ended 31 August 2022 (incorporating income & expenditure account)

|  | Notes    | Unrestricted | General fund  | Restricted<br>Pension fund | Fixed asset<br>fund | 2022<br>Total  | 2021<br>Total  |
|--|----------|--------------|---------------|----------------------------|---------------------|----------------|----------------|
|  |          | £'000        | £'000         | £'000                      | £'000               | £'000          | £'000          |
| <b>Income and endowments from:</b>                   |          |              |               |                            |                     |                |                |
| Donations and capital grants                         | 2        | -            | 95            | -                          | 2,035               | 2,130          | 2,046          |
| <i>Charitable activities:</i>                        |          |              |               |                            |                     |                |                |
| Funding for educational operations                   | 3        | 888          | 55,104        | -                          | -                   | 55,992         | 54,971         |
| Other trading activities                             | 4        | 948          | 679           | -                          | -                   | 1,627          | 602            |
| Investments  | 5        | 4            | -             | -                          | -                   | 4              | 5              |
| <b>Total income and endowments</b>                   |          | <b>1,840</b> | <b>55,878</b> | <b>-</b>                   | <b>2,035</b>        | <b>59,753</b>  | <b>57,624</b>  |
| <b>Expenditure on:</b>                               |          |              |               |                            |                     |                |                |
| Raising funds  | 6        | 345          | 38            | -                          | -                   | 383            | 93             |
| <i>Charitable activities:</i>                        |          |              |               |                            |                     |                |                |
| Educational operations                               | 7        | 1,194        | 56,077        | 4,226                      | 3,701               | 65,198         | 62,238         |
| <b>Total expenditure</b>                             | <b>6</b> | <b>1,539</b> | <b>56,115</b> | <b>4,226</b>               | <b>3,701</b>        | <b>65,581</b>  | <b>62,331</b>  |
| <b>Net income/(expenditure) for the year</b>         |          | <b>301</b>   | <b>(237)</b>  | <b>(4,226)</b>             | <b>(1,666)</b>      | <b>(5,828)</b> | <b>(4,707)</b> |
| <b>Transfers between funds</b>                       |          | <b>(79)</b>  | <b>(384)</b>  | <b>-</b>                   | <b>463</b>          | <b>-</b>       | <b>-</b>       |
| <b>Other recognised gains and losses</b>             |          |              |               |                            |                     |                |                |
| Actuarial losses on defined benefit pension schemes  | 26       | -            | -             | 24,360                     | -                   | 24,360         | (3,119)        |
| Adjustment for change in financial assumptions       | 26       | -            | -             | 3,092                      | -                   | 3,092          | -              |
| Revaluation of land and buildings                    | 13       | -            | -             | -                          | 20,233              | 20,233         | -              |
| <b>Net movement in funds</b>                         |          | <b>222</b>   | <b>(621)</b>  | <b>23,226</b>              | <b>19,030</b>       | <b>41,857</b>  | <b>(7,826)</b> |
| <b>Reconciliation of funds</b>                       |          |              |               |                            |                     |                |                |
| Total funds brought forward at 31 August 2021        |          | 1,864        | 1,759         | (26,981)                   | 97,017              | 73,659         | 81,485         |
| <b>Total funds carried forward at 31 August 2022</b> |          | <b>2,086</b> | <b>1,138</b>  | <b>(3,755)</b>             | <b>116,047</b>      | <b>115,516</b> | <b>73,659</b>  |

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 2022 (incorporating income & expenditure account)

### Comparative year information

|  | Notes    | Unrestricted | General fund  | Restricted<br>Pension fund | Fixed asset<br>fund | 2021<br>Total  | 2020<br>Total  |
|--|----------|--------------|---------------|----------------------------|---------------------|----------------|----------------|
|  |          | £'000        | £'000         | £'000                      | £'000               | £'000          | £'000          |
| <b>Income and endowments from:</b>                   |          |              |               |                            |                     |                |                |
| Donations and capital grants                         | 2        | -            | 54            | -                          | 1,992               | 2,046          | 2,291          |
| <i>Charitable activities:</i>                        |          |              |               |                            |                     |                |                |
| Funding for educational operations                   | 3        | 1,013        | 53,913        | -                          | -                   | 54,971         | 51,847         |
| Other trading activities                             | 4        | 387          | 215           | -                          | -                   | 602            | 969            |
| Investments  | 5        | 5            | -             | -                          | -                   | 5              | 30             |
| <b>Total income and endowments</b>                   |          | <b>1,450</b> | <b>54,182</b> | <b>-</b>                   | <b>1,992</b>        | <b>57,624</b>  | <b>55,137</b>  |
| <b>Expenditure on:</b>                               |          |              |               |                            |                     |                |                |
| Raising funds  | 6        | 67           | 26            | -                          | -                   | 93             | 463            |
| <i>Charitable activities:</i>                        |          |              |               |                            |                     |                |                |
| Educational operations                               | 7        | 1,267        | 53,536        | 2,887                      | 4,548               | 62,238         | 59,124         |
| <b>Total expenditure</b>                             | <b>6</b> | <b>1,334</b> | <b>53,562</b> | <b>2,887</b>               | <b>4,548</b>        | <b>62,331</b>  | <b>59,587</b>  |
| <b>Net income/(expenditure) for the year</b>         |          | <b>116</b>   | <b>620</b>    | <b>(2,887)</b>             | <b>(2,556)</b>      | <b>(4,707)</b> | <b>(4,450)</b> |
| <b>Transfers between funds</b>                       |          | <b>-</b>     | <b>(382)</b>  | <b>-</b>                   | <b>382</b>          | <b>-</b>       | <b>-</b>       |
| <b>Other recognised gains and losses</b>             |          |              |               |                            |                     |                |                |
| Actuarial losses on defined benefit pension schemes  | 26       | -            | -             | (3,119)                    | -                   | (3,119)        | (807)          |
| <b>Net movement in funds</b>                         |          | <b>116</b>   | <b>238</b>    | <b>(6,006)</b>             | <b>(2,174)</b>      | <b>(7,826)</b> | <b>(5,257)</b> |
| <b>Reconciliation of funds</b>                       |          |              |               |                            |                     |                |                |
| Total funds brought forward at 31 August 2020        |          | 1,748        | 1,521         | (20,975)                   | 99,191              | 81,485         | 86,742         |
| <b>Total funds carried forward at 31 August 2021</b> |          | <b>1,864</b> | <b>1,759</b>  | <b>(26,981)</b>            | <b>97,017</b>       | <b>73,659</b>  | <b>81,485</b>  |

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 2022

|  | Notes | 2022<br>£'000 | 2021<br>£'000 |
|--|-------|---------------|---------------|
| <b>Fixed assets</b>                            |       |               |               |
| Tangible assets                                | 13    | 113,999       | 94,504        |
| <b>Current assets</b>                          |       |               |               |
| Debtors  | 15    | 2,032         | 2,353         |
| Cash and cash equivalents                      | 24    | 8,639         | 9,533         |
|  |       | 10,671        | 11,886        |
| <b>Current liabilities</b>                     |       |               |               |
| Creditors: amounts falling due within one year | 16    | (5,394)       | (5,735)       |
| <b>Net current assets</b>                      |       | 5,277         | 6,151         |
| <b>Non-current liabilities</b>                 |       |               |               |
| Creditors: amounts falling due after one year  | 16    | (5)           | (15)          |
| <b>Net assets excluding pension liability</b>  |       | 119,271       | 100,640       |
| Defined benefit pension scheme liability       | 26    | (3,755)       | (26,981)      |
| <b>Net assets including pension liability</b>  |       | 115,516       | 73,659        |
|  |       | =====         | =====         |
| <b>The funds of the Trust:</b>                 |       |               |               |
| <b>Restricted funds</b>                        |       |               |               |
| Fixed asset funds                              | 17    | 116,047       | 97,017        |
| Restricted income funds                        | 17    | 1,138         | 1,759         |
| Pension reserve                                | 17    | (3,755)       | (26,981)      |
| <b>Total restricted funds</b>                  |       | 113,430       | 71,795        |
| <b>Unrestricted funds</b>                      | 17    | 2,086         | 1,864         |
| <b>Total funds</b>                             |       | 115,516       | 73,659        |
|  |       | =====         | =====         |

The financial statements on pages 34 to 64 were approved by the board of Trustees, and authorised for issue on 20 December 2022 and are signed on their behalf by:

**Jay Bhutani**  
Chair of Trustees

**Sheila McKenzie**  
Accounting Officer

Company registration no: 07468210

## Cash Flow Statement for the year ended 31 August 2022

|   | Notes | 2022<br>£'000 | 2021<br>£'000 |
|---|-------|---------------|---------------|
| <b>Cash flows from operating activities</b>                 |       |               |               |
| Net cash from operating activities                          | 21    | (286)         | 1,416         |
|   |       | <hr/>         | <hr/>         |
| <b>Cash flows used in investing activities</b>              |       |               |               |
| Dividends, interest and rents from investments              |       | 4             | 5             |
| Capital grants from DfE and ESFA                            | 2     | 2,021         | 1,978         |
| Payments to acquire tangible fixed assets                   | 13    | (2,623)       | (2,275)       |
|   |       | <hr/>         | <hr/>         |
|   |       | (598)         | (292)         |
|   |       | <hr/>         | <hr/>         |
| <b>Cash flows used in financing activities</b>              |       |               |               |
| Repayment of borrowings                                     | 22    | (10)          | (10)          |
|   |       | <hr/>         | <hr/>         |
| Change in cash and cash equivalents in the reporting period |       | (894)         | 1,114         |
|   |       | <hr/>         | <hr/>         |
| Cash and cash equivalents at 1 September 2021               |       | 9,533         | 8,419         |
|   |       | <hr/>         | <hr/>         |
| <b>Cash and cash equivalents at 31 August 2022</b>          | 24    | 8,639         | 9,533         |
|   |       | =====         | =====         |



# Notes to the Financial Statements for the year ended 31 August 2022

## 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 2021 to 2022 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 at least one year from the date of approval of the financial statements. The Trust, like other academy schools trusts in England, is facing significant financial pressures in the year ahead due to high inflation rates, the unfunded 2022 pay awards for teachers and support staff, a five-fold increase in energy bills resulting from the war in Ukraine and concerns around the funding arrangements for capital works.

In the current economic circumstances with uncertainties around the rate of inflation and energy costs, the Trustees may need to take further steps to reduce costs both in staffing, capital works and other expenditure. Curriculum and staffing reviews taking place in the spring term will put the Trust in a good place to take mitigating actions, should they be required. Trustees have considered the likely success of these actions and believe they will be sufficient to mitigate the financial uncertainties the trust faces.

The Trust has prepared detailed cash flow forecasts and stress tested the assumptions used for the period from January 2023 to August 2024. After making appropriate enquiries and taking into account possible cost saving measures, the board of trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis 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) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes.

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 an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 net income/(expenditure) 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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### **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<br>fund<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>2022<br>£'000 | Total<br>2021<br>£'000 |
|----------------------|-------------------------------|------------------------------|------------------------|------------------------|
| Capital grants       | -                             | 2,021                        | 2,021                  | 1,978                  |
| Donated Fixed Assets | -                             | 14                           | 14                     | 14                     |
| Other donations      | -                             | 95                           | 95                     | 54                     |
|                      | -                             | 2,130                        | 2,130                  | 2,046                  |
|                      | =====                         | =====                        | =====                  | =====                  |

## 3. Funding for the Trust's educational operations

|  | Unrestricted<br>fund<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>2022<br>£'000 | Total<br>2021<br>£'000 |
|--|-------------------------------|------------------------------|------------------------|------------------------|
| <b>DfE / ESFA grants</b>                               |                               |                              |                        |                        |
| - General Annual Grant (GAG)                           | -                             | 45,876                       | 45,876                 | 42,988                 |
| Other DfE / ESFA grants                                |                               |                              |                        |                        |
| -UIFSM   | -                             | 368                          | 368                    | 495                    |
| -Pupil Premium   | -                             | 2,423                        | 2,423                  | 2,422                  |
| -Teacher Pay and Pension grants                        | -                             | 218                          | 218                    | 2,082                  |
| -Others  | -                             | 2,424                        | 2,424                  | 1,446                  |
|  | -                             | 51,314                       | 51,314                 | 49,433                 |
| <b>Other Government grants</b>                         |                               |                              |                        |                        |
| - Local authority grants                               | -                             | 2,882                        | 2,882                  | 2,921                  |
|  | -                             | 54,191                       | 54,191                 | 52,354                 |
| <b>Other funds</b>                                     |                               |                              |                        |                        |
| - Other income from the Trust's educational operations | 838                           | 522                          | 1,360                  | 819                    |
| - Teaching school grants                               | 50                            | 386                          | 436                    | 1,498                  |
| <b>Exceptional government funding</b>                  |                               |                              |                        |                        |
| - Coronavirus Job Retention Scheme grant               | -                             | -                            | -                      | 27                     |
| - Coronavirus exceptional support                      | -                             | 5                            | 5                      | 273                    |
| <b>Total funding</b>                                   | 888                           | 55,104                       | 55,992                 | 54,971                 |
|  | =====                         | =====                        | =====                  | =====                  |

#### 4. Other trading activities

|                        | Unrestricted<br>fund<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>2022<br>£'000 | Total<br>2021<br>£'000 |
|------------------------|-------------------------------|------------------------------|------------------------|------------------------|
| Hire of facilities     | 296                           | -                            | 296                    | 157                    |
| Trip income            | 335                           | -                            | 335                    | 59                     |
| Sale of school uniform | 10                            | -                            | 10                     | 8                      |
| Consultancy            | -                             | 679                          | 679                    | 215                    |
| Other income           | 307                           | -                            | 1,627                  | 163                    |
|                        | <hr/>                         | <hr/>                        | <hr/>                  | <hr/>                  |
|                        | 948                           | 679                          | 1,627                  | 602                    |
|                        | =====                         | =====                        | =====                  | =====                  |

#### 5. Investment income

|                          | Unrestricted<br>fund<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>2022<br>£'000 | Total<br>2021<br>£'000 |
|--------------------------|-------------------------------|------------------------------|------------------------|------------------------|
| Bank interest receivable | 2                             | -                            | 2                      | 1                      |
| Short term deposits      | 2                             | -                            | 2                      | 4                      |
|                          | <hr/>                         | <hr/>                        | <hr/>                  | <hr/>                  |
|                          | 4                             | -                            | 4                      | 5                      |
|                          | =====                         | =====                        | =====                  | =====                  |

#### 6. Expenditure

|  | Non-pay expenditure                 |                   |                         | Total<br>2022<br>£'000 | Total<br>2021<br>£'000 |
|--|-------------------------------------|-------------------|-------------------------|------------------------|------------------------|
|  | Staff<br>costs<br>£'000<br>(note 8) | Premises<br>£'000 | Other<br>costs<br>£'000 |                        |                        |
| Academies' educational operations (note 7) |                                     |                   |                         |                        |                        |
| - direct costs                             | 37,375                              | -                 | 3,470                   | 40,845                 | 39,068                 |
| - allocated support costs                  | 11,764                              | 2,877             | 9,712                   | 24,353                 | 23,170                 |
|  | <hr/>                               | <hr/>             | <hr/>                   | <hr/>                  | <hr/>                  |
|  | 49,139                              | 2,877             | 13,182                  | 65,198                 | 62,238                 |
|  | <hr/>                               | <hr/>             | <hr/>                   | <hr/>                  | <hr/>                  |
| Expenditure on raising funds               | -                                   | -                 | 383                     | 383                    | 93                     |
|  | <hr/>                               | <hr/>             | <hr/>                   | <hr/>                  | <hr/>                  |
|  | 49,139                              | 2,877             | 13,565                  | 65,581                 | 62,331                 |
|  | =====                               | =====             | =====                   | =====                  | =====                  |

## 6. Expenditure (continued)

Net (income)/expenditure for the year includes:

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| Operating lease rentals                   | 593           | 332           |
| Fees paid to auditor for: -audit services | 52            | 49            |
| -other services                           | 30            | 37            |
| Depreciation of tangible fixed assets     | 3,361         | 4,221         |
|   | =====         | =====         |

Included within expenditure are unrecoverable debts of £1,592 (2021: £6,604).  
There were no individual items with a value above £5,000.

## 7. Charitable activities

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| Direct costs – educational operations       | 40,592        | 37,888        |
| Support costs – educational operations      | 24,166        | 22,794        |
|   | =====         | =====         |
| <b>Analysis of support costs</b>            |               |               |
| Support staff costs                         | 11,764        | 10,612        |
| Depreciation and impairment of fixed assets | 3,361         | 4,251         |
| Technology costs                            | 901           | 1,077         |
| Premises costs                              | 2,877         | 2,810         |
| Legal Fees                                  | 28            | 10            |
| Other support costs                         | 5,123         | 3,939         |
| Governance costs                            | 112           | 95            |
|   | =====         | =====         |
| Total support costs                         | 24,166        | 22,794        |
|   | =====         | =====         |

## 8. Staff costs

### a. Staff costs during the year were:

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| Wages and salaries                                | 33,470        | 32,576        |
| Social security costs                             | 3,167         | 3,123         |
| Operating costs of defined benefit pension scheme | 10,945        | 9,549         |
| Apprenticeship levy                               | 150           | 149           |
|   | <hr/> 47,732  | <hr/> 45,396  |
| Supply teacher costs                              | 1,282         | 1,094         |
| Staff restructuring costs (see below)             | 125           | 64            |
|   | <hr/> 49,139  | <hr/> 46,554  |
|   | =====         | =====         |
| Staff restructuring costs comprise:               |               |               |
| - Severance payments                              | 115           | 37            |
| - Redundancy payments                             | 10            | 27            |
|   | <hr/> 125     | <hr/> 64      |
|   | =====         | =====         |

### b. Severance payments

The academy trust paid 4 severance payments in the year, disclosed in the following bands:

|             |   |
|-------------|---|
| 0 - £25,000 | 4 |
| £25,001 +   | 0 |

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

|  | Number       |              | FTE        |            |
|--|--------------|--------------|------------|------------|
|  | 2022         | 2021         | 2022       | 2021       |
| Teachers   | 518          | 504          | 453        | 476        |
| Administration and support (including Teaching Assistants) | 741          | 564          | 388        | 412        |
| Management   | 77           | 69           | 70         | 66         |
| <b>Total</b>   | <b>1,337</b> | <b>1,137</b> | <b>911</b> | <b>954</b> |



## 8. Staff costs (continued)

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

|                     | 2022<br>Number | 2021<br>Number |
|---------------------|----------------|----------------|
| £ 60,001 - £ 70,000 | 25             | 27             |
| £ 70,001 - £ 80,000 | 11             | 12             |
| £ 80,001 - £ 90,000 | 3              | 4              |
| £ 90,001 - £100,000 | 3              | 3              |
| £100,001 - £110,000 | -              | 2              |
| £110,001 - £120,000 | 2              | 3              |
| £120,001 - £130,000 | -              | -              |
| £130,001 - £140,000 | -              | -              |
| £140,001 - £150,000 | -              | -              |
| £150,001 - £160,000 | 1              | 1              |
| £160,001 - £170,000 | -              | -              |
| £170,001 - £180,000 | 1              | -              |
|                     | =====          | =====          |

All of the above employees participated in the Teachers' Pension Scheme or the Local Government Pension Scheme. During the year ended 31 August 2022, pension contributions for these staff amounted to £793,844 (2021: £849,885).

## 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:

|                                | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------------|---------------|---------------|
| Abacus Belsize Primary School  | 47            | 44            |
| All Saints Junior School       | 25            | 24            |
| Abbey Woods Academy            | 44            | 41            |
| Benjamin Adlard Primary School | 58            | 53            |
| Boston West Academy            | 87            | 78            |
| The Deepings School            | 294           | 283           |
| Gladstone Park Primary School  | 156           | 149           |
| Grampian Primary Academy       | 50            | 46            |
| Judith Kerr Primary School     | 89            | 79            |
| Lincoln Carlton Academy        | 87            | 78            |
| Mount Street Infant Academy    | 56            | 53            |
| Meadow Park Academy            | 77            | 72            |
| Oakbank School                 | 121           | 114           |
| Oxford Spires Academy          | 305           | 280           |
| Queensbury Academy             | 263           | 245           |
| St Mark's Academy              | 230           | 224           |
|                                | <hr/>         | <hr/>         |
|                                | 1,989         | 1,863         |
|                                | =====         | =====         |

## 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 £563,892 (2021: £548,790).

## 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 2022, travel and subsistence expenses totalling £1,094 (2021: £427) were reimbursed to two (2021: one) 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<br>Land and<br>Buildings<br>£'000 | Long<br>Leasehold<br>Land and<br>Buildings<br>£'000 | Computer<br>Equipment<br>£'000 | Furniture &<br>Fittings<br>£'000 | Motor<br>Vehicles<br>£'000 | Total<br>£'000 |
|-------------------------|--|---|--------------------------------|----------------------------------|----------------------------|----------------|
| <b>Cost / Valuation</b> |  |   |                                |                                  |                            |                |
| At 1 September 2021     | 21,916                                     | 98,471  | 4,213                          | 4,513                            | 48                         | 129,161        |
| Additions               | 1,207                                      | 710   | 129                            | 577                              | -                          | 2,623          |
| Revaluation             | (1,786)                                    | 22,019  | -                              | -                                | -                          | 20,233         |
|                         |  |   |                                |                                  |                            |                |
| At 31 August 2022       | 21,337                                     | 121,200   | 4,342                          | 5,090                            | 48                         | 152,017        |
|                         |  |   |                                |                                  |                            |                |
| <b>Depreciation</b>     |  |   |                                |                                  |                            |                |
| At 1 September 2021     | 4,223                                      | 22,725  | 3,943                          | 3,721                            | 45                         | 34,657         |
| Charge in year          | 379  | 2,404   | 161                            | 414                              | 3                          | 3,361          |
|                         |  |   |                                |                                  |                            |                |
| At 31 August 2022       | 4,602                                      | 25,129  | 4,104                          | 4,135                            | 48                         | 38,018         |
|                         |  |   |                                |                                  |                            |                |
| <b>Net book values</b>  |  |   |                                |                                  |                            |                |
| At 31 August 2022       | 16,735                                     | 96,071  | 238                            | 955                              | -                          | 113,999        |
|                         |  |   |                                |                                  |                            |                |
| At 31 August 2021       | 17,693                                     | 75,746  | 270                            | 792                              | 3                          | 94,504         |

There are leasehold assets of £12,117k 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

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| <b>Carrying amount of financial assets</b>      |               |               |
| Debt instruments measured at amortised cost     | 9,769         | 11,026        |
|   | =====         | =====         |
| <b>Carrying amount of financial liabilities</b> |               |               |
| Measured at amortised cost                      | 3,166         | 2,791         |
|   | =====         | =====         |

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

|                                | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------------|---------------|---------------|
| Trade debtors                  | 207           | 196           |
| VAT recoverable                | 439           | 406           |
| Other debtors                  | 131           | 124           |
| Prepayments and accrued income | 1,255         | 1,627         |
|                                | <hr/>         | <hr/>         |
|                                | 2,032         | 2,353         |
|                                | =====         | =====         |

Accrued income includes £645k (2021: £896k) due from the ESFA for student transport, pupil premium and national non-domestic rates reclaim.

## 16. Creditors

| Amounts falling due within one year      | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| Trade creditors                          | 2,001         | 1,823         |
| Amounts owed to related party            | -             | 3             |
| Other taxation and social security       | 780           | 700           |
| Loans (see below)                        | 10            | 10            |
| Accruals and deferred income (see below) | 1,784         | 2,133         |
| Other creditors                          | 819           | 1,066         |
|  | <hr/>         | <hr/>         |
|  | 5,394         | 5,735         |
|  | =====         | =====         |

| Creditors: amounts falling due after one year | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| Loans   | 5             | 15            |
|   | <hr/>         | <hr/>         |
|   | 5             | 15            |
|   | =====         | =====         |

| Creditors: deferred income   | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| Deferred income at 1 September   | 1,167         | 1,482         |
| Income deferred in the year  | 691           | 882           |
| Amounts released from previous years   | (1,167)       | (947)         |
|  | <hr/>         | <hr/>         |
| Deferred income at 31 August 2022 included in accruals and deferred income above | 691           | 1,167         |
|  | =====         | =====         |

## 16. Creditors (continued)

Included in deferred income is £235k (2021: £210k) for universal infant free school meal funding, £173k (2021: £453k) for other ESFA grants, £129k (2021: £92k) for Local Authority grants, £nil (2021: £250k) for teaching school grants and £82k (2021: £64k) for non-government funding. Also included within deferred income is £72k (2021: £98k) for funds received in advance for academy trips. These trips will be taking place during the next academic year.

Loans of £15k (2021: £25k) are from Salix and provided on the following terms: 0% interest repayable over 6 years and maturing 1 September 2023.

## 17. Funds

|   | Balance at<br>31 August<br>2021<br>£'000 | Incoming<br>resources<br>£'000 | Resources<br>expended<br>£'000 | Gains, losses<br>& transfers<br>£'000 | Balance at<br>31 August<br>2022<br>£'000 |
|---|--|--------------------------------|--------------------------------|---------------------------------------|--|
| <b>Restricted general funds</b>           |  |                                |                                |                                       |  |
| General Annual Grant (GAG)                | 1,759                                    | 45,876                         | (46,205)                       | (384)                                 | 1,046                                    |
| Teacher Pay and Pension Grants            | -  | 218                            | (218)                          | -                                     | -  |
| Universal Infant Free School Meals        | -  | 368                            | (368)                          | -                                     | -  |
| Pupil Premium grants                      | -  | 2,423                          | (2,423)                        | -                                     | -  |
| Other DfE / ESFA grants                   | -  | 2,502                          | (2,502)                        | -                                     | -  |
| Other government grants                   | -  | 2,882                          | (2,882)                        | -                                     | -  |
| Other Grants                              | -  | 313                            | (221)                          | -                                     | 92                                       |
| Donations and other income                | -  | 617                            | (617)                          | -                                     | -  |
| Activities for generating funds           | -  | 679                            | (679)                          | -                                     | -  |
| Pension reserve (note 26)                 | (26,981)                                 | -                              | (4,226)                        | 27,452                                | (3,755)                                  |
| <b>Total restricted general funds</b>     | <b>(25,222)</b>                          | <b>55,878</b>                  | <b>(60,341)</b>                | <b>27,068</b>                         | <b>(2,617)</b>                           |
| <b>Restricted fixed asset funds</b>       |  |                                |                                |                                       |  |
| Acquired on conversion                    | 54,058                                   | -                              | (2,428)                        | 20,233                                | 71,863                                   |
| DfE/ESFA capital grants                   | 42,959                                   | 2,035                          | (1,273)                        | 463                                   | 44,184                                   |
| <b>Total restricted fixed asset funds</b> | <b>97,017</b>                            | <b>2,035</b>                   | <b>(3,701)</b>                 | <b>20,696</b>                         | <b>116,047</b>                           |
| <b>Total restricted funds</b>             | <b>71,795</b>                            | <b>57,913</b>                  | <b>(64,042)</b>                | <b>47,764</b>                         | <b>113,430</b>                           |
| <b>Unrestricted funds</b>                 |  |                                |                                |                                       |  |
| Unrestricted fund                         | 1,864                                    | 1,840                          | (1,539)                        | (79)                                  | 2,086                                    |
| <b>Total funds</b>                        | <b>73,659</b>                            | <b>59,753</b>                  | <b>(65,581)</b>                | <b>47,685</b>                         | <b>115,516</b>                           |

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

## 17. Funds (continued)

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 2022.

**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.

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

|   | Balance at<br>31 August<br>2020<br>£'000 | Incoming<br>resources<br>£'000 | Resources<br>expended<br>£'000 | Gains, losses<br>& transfers<br>£'000 | Balance at<br>31 August<br>2021<br>£'000 |
|---|--|--------------------------------|--------------------------------|---------------------------------------|--|
| <b>Restricted general funds</b>           |  |                                |                                |                                       |  |
| 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)                                 |
| <b>Total restricted general funds</b>     | <b>(19,454)</b>                          | <b>54,182</b>                  | <b>(56,449)</b>                | <b>(3,501)</b>                        | <b>(25,222)</b>                          |
|   | =====                                    | =====                          | =====                          | =====                                 | =====                                    |
| <b>Restricted fixed asset funds</b>       |  |                                |                                |                                       |  |
| Acquired on conversion                    | 56,486                                   | -                              | (2,428)                        | -                                     | 54,058                                   |
| DfE/ESFA capital grants                   | 42,705                                   | 1,992                          | (2,120)                        | 382                                   | 42,959                                   |
| <b>Total restricted fixed asset funds</b> | <b>99,191</b>                            | <b>1,992</b>                   | <b>(4,548)</b>                 | <b>382</b>                            | <b>97,017</b>                            |
|   | =====                                    | =====                          | =====                          | =====                                 | =====                                    |
| <b>Total restricted funds</b>             | <b>79,737</b>                            | <b>56,174</b>                  | <b>(60,997)</b>                | <b>(3,119)</b>                        | <b>71,795</b>                            |
|   | =====                                    | =====                          | =====                          | =====                                 | =====                                    |
| <b>Unrestricted fund</b>                  |  |                                |                                |                                       |  |
| Unrestricted fund                         | 1,748                                    | 1,450                          | (1,334)                        | -                                     | 1,864                                    |
|   | =====                                    | =====                          | =====                          | =====                                 | =====                                    |
| <b>Total funds</b>                        | <b>81,485</b>                            | <b>57,624</b>                  | <b>(62,331)</b>                | <b>(3,119)</b>                        | <b>73,659</b>                            |
|   | =====                                    | =====                          | =====                          | =====                                 | =====                                    |

## 17. Funds -Group

### Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| Abacus Belsize Primary School                             | (175)         | (83)          |
| All Saints Junior School                                  | 193           | 185           |
| Abbey Woods Academy                                       | (914)         | (705)         |
| Benjamin Adlard Primary School                            | 58            | 80            |
| Boston West Academy                                       | 494           | 530           |
| The Deepings School                                       | -             | -             |
| The Deepings SCITT  | 81            | 85            |
| Gladstone Park Primary School                             | -             | -             |
| Grampian Primary Academy                                  | -             | 92            |
| Judith Kerr Primary School                                | 66            | -             |
| KYRA Teaching School                                      | 132           | 166           |
| Lincoln Carlton Academy                                   | 64            | 85            |
| Mount Street Infant Academy                               | -             | 57            |
| Meadow Park Academy                                       | (331)         | (394)         |
| Oakbank School  | (1,288)       | (1,070)       |
| Oxford Spires Academy                                     | 353           | 222           |
| Queensbury Academy  | (903)         | (1,175)       |
| St Mark's Academy   | 1,290         | 966           |
| Central services  | (403)         | 33            |
| Anthem Contingency Reserve                                | 4,507         | 4,549         |
| Total funds before fixed assets and pension reserve funds | 3,224         | 3,623         |
| Restricted fixed asset fund                               | 116,047       | 97,017        |
| Pension reserve   | (3,755)       | (26,981)      |
| Total   | 115,516       | 73,659        |
|   | =====         | =====         |

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 couple of years 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 school has a historical deficit which they are repaying over several years.

**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

## 17. Funds – Group (continued)

improvement by Ofsted, so are investing in teaching and learning to improve educational standards.

**Queensbury Academy:** The school has a historical deficit following a government approved age range change and is successfully repaying the deficit.

**Central Services:** Anthem has a deficit following Trust-wide investment on school improvement and the implementation of a Trust-wide IT network.

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

|                             | Teaching &<br>Educational<br>Support<br>Staff Costs<br>£'000 | Other<br>Support<br>Staff<br>Costs *<br>£'000 | Educational<br>Supplies<br>£'000 | Other<br>Costs **<br>(Excluding<br>Depreciation)<br>£'000 | Total<br>2022<br>£'000 | Total<br>2021<br>£'000 |
|-----------------------------|--|---|----------------------------------|---|------------------------|------------------------|
| Abacus Belsize Primary      | 872  | 227   | 10                               | 657   | 1766                   | 1721                   |
| All Saints Junior<br>School | 484  | -396  | 5                                | 166   | 259                    | 675                    |
| Abbey Woods<br>Academy      | 859  | 756   | 3                                | 341   | 1959                   | 1283                   |
| Benjamin Adlard<br>Primary  | 1,218  | 776   | 50                               | 267   | 2,311                  | 1,655                  |
| Boston West Academy         | 1,545  | 691   | 53                               | 319   | 2,608                  | 2,023                  |
| The Deepings                | 5,795  | 1,093   | 67                               | 1,310   | 8,265                  | 8,515                  |
| The Deepings SCITT          | 253  | -   | -                                | 187   | 440                    | 740                    |
| Gladstone Park<br>Primary   | 2,841  | 698   | 7                                | 642   | 4,188                  | 3,931                  |
| Grampian Primary            | 1,012  | 420   | 14                               | 283   | 1,729                  | 1,494                  |
| Judith Kerr Primary         | 1,307  | 383   | 5                                | 367   | 2,062                  | 1,868                  |
| KYRA Teaching<br>School     | 312  | 203   | -                                | 242   | 757                    | 814                    |
| Lincoln Carlton<br>Academy  | 1,561  | 923   | 40                               | 299   | 2,823                  | 2,170                  |
| Mount Street Academy        | 1,224  | -156  | 42                               | 265   | 1,375                  | 1,786                  |
| Meadow Park<br>Academy      | 1,339  | -687  | 11                               | 307   | 970                    | 1,947                  |
| Oakbank School              | 2,278  | 457   | 29                               | 849   | 3,613                  | 3,570                  |
| Oxford Spires<br>Academy    | 5,748  | 971   | 40                               | 1,477   | 8,236                  | 8,263                  |
| Queensbury Academy          | 4,834  | 1,137   | 187                              | 1,113   | 7,271                  | 6,775                  |
| St Mark's Academy           | 3,856  | 1,376   | 201                              | 1,279   | 6,712                  | 6,510                  |
| Central Services            | 39   | 4073  | -                                | 422   | 4534                   | 2043                   |
|                             | <b>37,377</b>  | <b>12,945</b>                                 | <b>764</b>                       | <b>10,792</b>   | <b>61,878</b>          | <b>57,783</b>          |

\* Other Support Staff Costs includes the movement on the Local Government Pension Scheme following actuarial valuations.

\*\* Excluding depreciation (£3,361k), and capital grant funded expenditure (£339k).



## 18. Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

|                                       | Unrestricted<br>fund<br>£'000 | Restricted<br>general<br>fund<br>£'000 | Restricted<br>fixed asset<br>fund<br>£'000 | Total<br>funds<br>2022<br>£'000 |
|---------------------------------------|-------------------------------|--|--|---------------------------------|
| Tangible fixed assets                 | -                             | -                                      | 113,999                                    | 113,999                         |
| Current assets                        | 2,086                         | 6,537                                  | 2,048                                      | 10,671                          |
| Current (and non-current) liabilities | -                             | (5,399)                                | -  | (5,399)                         |
| Pension scheme liability              | -                             | (3,755)                                | -  | (3,755)                         |
| <b>Total net assets</b>               | <b>2,086</b>                  | <b>(2,617)</b>                         | <b>116,047</b>                             | <b>115,516</b>                  |
|                                       | =====                         | =====                                  | =====                                      | =====                           |

Fund balances at 31 August 2021 are represented by:

|                                       | Unrestricted<br>fund<br>£'000 | Restricted<br>general<br>fund<br>£'000 | Restricted<br>fixed asset<br>fund<br>£'000 | Total<br>funds<br>2021<br>£'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)                        |
| <b>Total net assets</b>               | <b>1,864</b>                  | <b>(25,222)</b>                        | <b>97,017</b>                              | <b>73,659</b>                   |
|                                       | =====                         | =====                                  | =====                                      | =====                           |

## 19. Capital commitments

|  | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| Contracted for, but not provided in the financial statements | 210           | 58            |

## 20. Operating lease commitments

At 31 August 2022, the total of the Trust's future minimum lease payments under non-cancellable operating leases were:

|                          | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------|---------------|---------------|
| Due within one year      | 255           | 273           |
| Due in one to five years | 249           | 462           |
| Due after five years     | 90            | 92            |
|                          | <u>594</u>    | <u>827</u>    |
|                          | =====         | =====         |

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

|  | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| Net movement in funds for the year                                       | 41,857        | (7,826)       |
| Depreciation (note 13)   | 3,361         | 4,221         |
| Revaluation of tangible fixed assets (note 13)                           | (20,233)      | -             |
| Disposal of tangible fixed assets (note 13)                              | -             | 43            |
| Capital grants from DfE and other capital income                         | (2,021)       | (1,978)       |
| Interest receivable (note 5)   | (4)           | (5)           |
| Defined benefit pension scheme cost less contributions payable (note 26) | (27,452)      | 3,119         |
| Defined benefit pension scheme finance cost (note 26)                    | 4,226         | 2,887         |
| Decrease in debtors  | 321           | 330           |
| Increase / (decrease) in creditors                                       | (341)         | 625           |
|  | <u>(286)</u>  | <u>1,416</u>  |
|  | =====         | =====         |

## 22. Cash flows used in financing activities

|                                     | 2022<br>£'000 | 2021<br>£'000 |
|-------------------------------------|---------------|---------------|
| Repayments of borrowing -Salix loan | (10)          | (10)          |
|                                     | <u>(10)</u>   | <u>(10)</u>   |
|                                     | =====         | =====         |

## 23. Cash flows used in investing activities

|  | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| Dividends, interest and rents from investments | 4             | 5             |
| Capital grants from DfE / ESFA                 | 2,021         | 1,978         |
| Capital funding received from others           | -             | -             |
| Payments to acquire tangible fixed assets      | (2,623)       | (2,275)       |
| Net cash used in investing activities          | (598)         | (292)         |
|  | =====         | =====         |

## 24. Analysis of cash and cash equivalents

|                                      | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------------------|---------------|---------------|
| Cash in hand and at bank             | 2,231         | 2,445         |
| Notice deposits (less than 3 months) | 6,408         | 7,088         |
|                                      | 8,639         | 9,533         |
|                                      | =====         | =====         |

## 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 (2021: £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 £583,436 outstanding contributions at the end of the financial year (2021: £801,871).

## 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

## 26. Pension and similar obligations (continued)

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.

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.

## 26. Pension and similar obligations (continued)

### 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 2022 was £2,768k (2021: £2,596k), of which employer's contributions totalled £2,168k (2021: £2,058k) and employees' contributions totalled £600k (2021: £566k). The agreed contribution rates for future years are between 17.5% and 35.0% (2021: 17.5% and 35.0%) for employers and averages between 5.5% and 12.5% (2021: 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<br>2022 | At 31 August<br>2021 |
|--------------------------------------|----------------------|----------------------|
| Rate of increase in salaries         | 3.7%                 | 3.6%                 |
| Rate of increase for pensions        | 3.0%                 | 2.9%                 |
| Discount rate for scheme liabilities | 4.2%                 | 1.7%                 |
| Inflation assumption (CPI)           | 3.0%                 | 2.9%                 |
| Retail price index assumption (RPI)  | 3.3%                 | 3.2%                 |

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.

|   | Approximate increase<br>in employer's liability |       |
|---|---|-------|
|   | 2022  | 2021  |
|   | £'000   | £'000 |
| 0.1% decrease in real discount rate       | 2,165   | 4,549 |
| 1-year increase in member life expectancy | 2,277   | 4,880 |
| 0.1% increase in salary increase rate     | 1,853   | 4,006 |
| 0.1% increase in employer's liability     | 2,149   | 4,512 |

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

## 26. Pension and similar obligations (continued)

The assumed life expectations on retirement age 65 are:

|                             | At 31 August<br>2022<br>(years) | At 31 August<br>2021<br>(years) |
|-----------------------------|---------------------------------|---------------------------------|
| <b>Retiring today</b>       |                                 |                                 |
| Males                       | 21.5                            | 21.6                            |
| Females                     | 23.9                            | 24.1                            |
| <b>Retiring in 20 years</b> |                                 |                                 |
| Males                       | 22.8                            | 22.8                            |
| Females                     | 25.6                            | 25.7                            |

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

|                              | Fair value at<br>31 August<br>2022<br>£'000 | Fair value at<br>31 August<br>2021<br>£'000 |
|------------------------------|---|---|
| Equity instruments           | 25,875                                      | 25,305                                      |
| Debt instruments             | 6,891                                       | 6,441                                       |
| Property                     | 4,235                                       | 3,062                                       |
| Cash                         | 1,028                                       | 1,181                                       |
|                              | <hr/>                                       | <hr/>                                       |
| Total market value of assets | 38,029                                      | 35,989                                      |
|                              | =====                                       | =====                                       |

Actual return on scheme assets was £1,053k (2021: £(4,736k)).

### Amounts recognised in the Statement of Financial Activities

|  | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| Current service cost (net of employee contributions) | 5,725         | 4,533         |
| Net interest cost                                    | 669           | 384           |
|  | <hr/>         | <hr/>         |
| Total operating charge                               | 6,394         | 4,917         |
|  | =====         | =====         |

## 26. Pension and similar obligations (continued)

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

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| At 1 September                                    | 62,970        | 49,558        |
| Current service cost                              | 5,725         | 4,520         |
| Interest cost                                     | 1,058         | 840           |
| Employee contributions                            | 600           | 566           |
| Actuarial (gain) / loss                           | 577           | (900)         |
| Change in Demographic Assumptions                 | (267)         | (221)         |
| Change in Financial Assumptions                   | (31,927)      | 9,046         |
| Adjustment due to change in financial assumptions | 3,092         | -             |
| Benefits paid                                     | (455)         | (560)         |
| Past service cost                                 | -             | 13            |
| Effect of non-routine settlements                 | 411           | 108           |
|   | <hr/>         | <hr/>         |
| At 31 August                                      | 41,784        | 62,970        |
|   | =====         | =====         |

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

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| At 1 September  | 35,989        | 28,583        |
| Interest income   | 592           | 482           |
| Actuarial gain / (loss)   | (20)          | 70            |
| Return on plan assets (excluding net interest on the net defined pension liability) | (1,053)       | 4,736         |
| Employer contributions  | 2,168         | 2,030         |
| Employee contributions  | 600           | 566           |
| Benefits paid   | (455)         | (560)         |
| Effect of non-routine settlements   | 208           | 82            |
|   | <hr/>         | <hr/>         |
| At 31 August  | 38,029        | 35,989        |
|   | =====         | =====         |

## 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.

Education Development Trust stepped down as sponsor and a Member of Anthem on 9 May 2022. Any services purchased by Anthem from Education Development Trust whilst they were a sponsor and Member were purchased at cost, which totalled £19,244 for 2021-22 (2020-21: £35,718).

## 27. Related party transactions (continued)

Of this total £nil (2020-21: £1,381) 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 £19,244 (2020-21: £34,336) related to services provided by Education Development Trust, including provision of office accommodation, membership of the school partnership programme and work experience placement support. 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.

The Trust sold services to its sponsor Education Development Trust during the year that amounted to £nil (2021: £4k).

## 28. Agency Arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022, the Trust received £30k and disbursed £25k 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 2022, the Trust received £89k and disbursed £89k. An amount of £nil is included in creditors relating to undistributed funds that is repayable to the DfE.

## 29. Events after the end of the reporting period

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