

**The Thinking Schools Academy Trust**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**For the Year Ended 31 August 2021**

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**The Thinking Schools Academy Trust**  
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**Reference and Administrative Details of The Trust, its Directors and Advisers For the year ended 31 August 2021**

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<b>Members</b>	Mr. P. Martin Mrs. S. Earle Mrs. D. Reed Mrs. J. Smith Mr. G. Lall
<b>Directors</b>	Mr. P. Martin, Chairman <sup>1 2</sup> Mr. M.R. Bailey <sup>1</sup> Mr. S. Gardner, Chief Executive and Accounting Officer <sup>1</sup> Mr. D. Morrison <sup>2</sup> Mr. G. Newman <sup>2</sup> Mrs. L. Randall Mr. S. Geary Mrs. R. Jordan-Evans (resigned effective 14 July 2021) Mr. I. Mason Mr. D. Lycett
	<sup>1</sup> Member of Finance Committee <sup>2</sup> Member of Audit Committee
<b>Company registered number</b>	07359755
<b>Principal and registered office</b>	The Thinking Schools Academy Trust Park Crescent Chatham Kent ME4 6NR
<b>Company Secretary</b>	Mr. L. Miller MBE (until 31 March 2021) Mrs. K. Denton (from 1 April 2021)
<b>Chief executive officer</b>	Mr. S. Gardner
<b>Senior management team</b>	Mr. S. Gardner, CEO and Accounting Officer Mr. L. Miller MBE, Deputy CEO and Chief Financial Officer Ms. A. Gage, Director of Education (Chatham) Mr. G. Bassan, Director of Education (Kent) Mrs. J. Murphy, Director of Education (Strood) Miss N. Sheppard, Director of Education (Portsmouth) Mr. D. High, Director of Service Delivery and Performance
<b>Independent auditor</b>	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants Registered Auditors Thames House Roman Square Sittingbourne Kent ME10 4BJ
<b>Bankers</b>	Nat West Bank Plc Maidstone Road Rochester Kent. ME1 3DY
<b>Solicitors</b>	Browne Jacobson 6th Floor, 77 Gracechurch Street London. EC3V 0AS

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**Directors' Report**  
**For the year ended 31 August 2021**

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The Directors present their annual report and auditors' report of The Trust for the year ended 31 August 2021.

The Trust operates eleven primary and six secondary academies in Medway, Kent, Portsmouth and Plymouth Local Authorities. Its academies have a combined pupil capacity of 10,814 and had a roll of 9,594 in the school census on October 2020.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

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

**Members' liability**

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

**Directors and Governors' indemnities**

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

**Principal activities**

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

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

All schools share a commitment to cognitive education and Thinking School status. Throughout the year ended 31 August 2021 The Trust's principal object and activity has therefore been to manage the schools within The Trust.

**Method of recruitment and appointment or election of Directors**

Under the terms of its Articles, the Board of Directors holds ultimate responsibility for managing The Trust. The Board comprises the following:

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**Directors' Report**  
**For the year ended 31 August 2021**

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

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

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

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

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

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

**Organisation structure**

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

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

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

- The Audit and Risk Committee that is made up of non-executive Directors;
- a Finance Committee;
- an Operations Committee;
- a Staffing, Pay & Professional Growth Committee that is made up of non-executive Directors;
- a Governance and Compliance Committee;
- a Curriculum and Assessment Committee;

**Arrangements for setting pay and remuneration of key management personnel**

The Board's Staffing, Pay & Professional Growth Committee has delegated responsibility to oversee this area and specifically has the following responsibilities:

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

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**Directors' Report**  
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**Arrangements for setting pay and remuneration of key management personnel (continued)**

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

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

**Trade union facility time**

**Relevant union officials:**

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

**Percentage of time spent on facility time:**

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

**Percentage of pay bill spent on facility time:**

Total cost of facility time	£17.10
Total pay bill	£39,680,835
Percentage of the total pay bill spent on facility time	0.000043%

**Paid trade union activities:**

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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## **The Thinking Schools Academy Trust**

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#### **Directors' Report**

##### **For the year ended 31 August 2021**

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#### **Risk management**

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

#### **Connected organisations, including related parties**

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

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

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

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

#### **Engagement with employees (including disabled persons)**

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

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

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

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

- Covid-19; we have published risk assessments and staff FAQs;
- mental Health and Wellbeing; we have our own Trust wellbeing pages for staff to access a range of resources and information
- staff Consultations;
  - focus groups, pages for our support staff job evaluation process have been set up where key information, consultations videos and FAQs have been shared;
  - full staff consultation on the development of our professional growth policy, including; focus groups, staff surveys, videos, regular email communication, FAQs and training;
  - support staff pay structure review; full consultation will include a stakeholder engagement plan, regular communication, dedicated webpages and staff roadshows.

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

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#### **Directors' Report**

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

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

In May 2021 the Department for Education released a staff wellbeing charter that was co-created by a number of stakeholders.

The Wellbeing Strategy Group has been established in response and the group will support the Trusts aim to meet these commitments and becomes an employer of choice for our staff.

Key responsibilities of the group include:

- To develop a staff wellbeing strategy and action plan linked to the commitments within the charter;
- to be aware of the latest developments to support employee wellbeing;
- to manage the risks associated with this this area;
- to oversee the accreditation of the Trust becoming an investor in people employer;
- to review and respond to staff voice through regular pulse surveys.

The Group is supported by a number of working groups namely; Equality, Diversity and Inclusion; Recruitment and Retention; Employee Handbook and Policy Development; and Mental Health. The working parties will be made up of a wide range of representatives across the Trust.

#### **Equal opportunities**

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

#### **Disabled persons**

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

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

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

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

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



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**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

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

**Objective, strategies and activities**

The main objectives of The Trust during the year ended 31 August 2021 are summarised below:

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

**Public benefit**

All Academies within The Trust are state funded and strive to promote and support the advancement of education within the Medway, Kent, Portsmouth and Plymouth Local Authority areas.

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

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

**STRATEGIC REPORT**

**Achievements and performance**

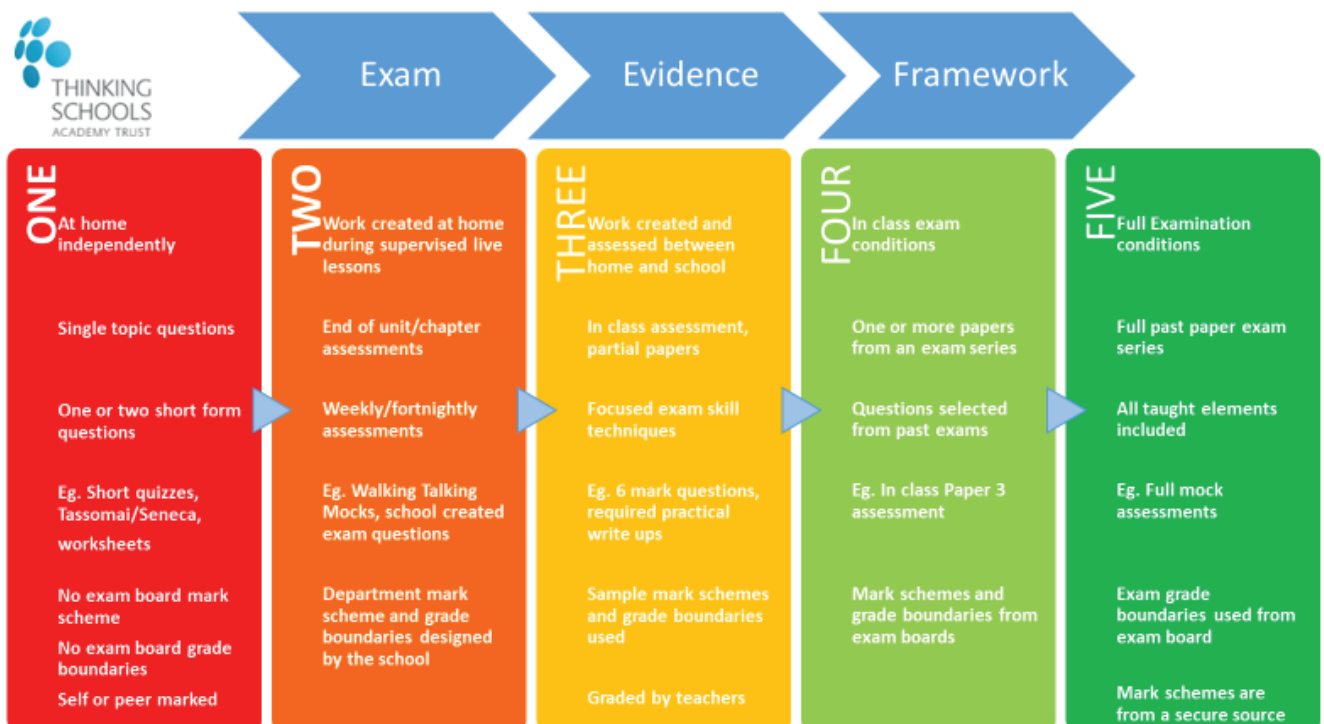
Composition of The Trust: Plymouth High School for Girls joined our Trust in February 2021 to become our first Trust school in our new SW Hub. Since then we have engaged with Plympton Academy who have voted to join our Trust and we are working towards a 1 January 2022 conversion date. We are in initial discussions with a number of schools in Kent and Plymouth about joining our Trust as well as the RSC for Eastern England about setting up a new Hub in Essex.

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Therefore, come 1 January 2022 we will serve 11,000 students of which 28% are from disadvantaged backgrounds.



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Outcomes and Progress:

Once again schools were asked to produce Teacher Assessed Grades for Year 11 and Year 13. The Trust put in place a very rigorous process to ensure that the grades allocated were fair and accurate – at the heart of this was our robustness framework and QA process to ensure that all grades could be fully evidenced:

Outcomes for students at KS4 were as follows:

	GA	HGS	PHSG	RGS	TPA *	TVA
A*/A (7+)	5.3	48.7	48.0	63.2	23.5	10.4
A*-C (5+) Strong pass (all qualifications)	41.5	92.0	91.5	96	58.6	46.4
A*-C (4+) Standard pass (all qualifications)	62.3	98.6	98.6	99.3	72.6	67.7
Basics (Eng/Ma 5+) Strong pass	21	96.5	91.5	91	38.5	35.1
Basics (Eng/Ma 4+) Standard pass	50	99.1	100	99	52.8	62.6
5 A*-C with Eng and Ma (based on 4+ in both Eng and Ma)	45	99.1	99.15	98.8	52.8	60.3
5 A*-C with Eng and Ma (based on 5+ in both Eng and Ma)	21	96.5	91.45	91.2	38.5	35.1
Progress 8	+0.17	+0.37	+0.09	+0.61	+0.54	+0.14

Outcomes at KS5 were as follows;

%	GA	HGS	PHSG	RGS	TVA
KS5 – A2 A*/A		37.74	46.3	49.49	17.05
KS5 – A2 A*-B		63.04	65.9	77.44	35.72
KS5 – A2 A*-C		83.66	85.4	93.94	54.08
KS5 – A2 A*-D		93	93.9	99.66	79.13
KS5 – A2 A*-E		99.22	100	100	97.61
KS5 VA Academic	+0.53	+0.4	+0.35	+0.44	+0.82
KS5 VA A-Level		+0.4	+0.35	+0.43	+0.79
KS5 VA Vocational	+0.86	+0.14		-0.07	+0.57

KS2 outcomes:

There were no formal SATs papers for Y6 this year, however, we felt it was important for schools and students to have an accurate assessment of their progress through Primary school. Therefore, all our Y6 students sat a previous SATs paper. We were delighted to find that many students, despite all the disruption over the previous 18 months, had made progress very close to that we would have expected:

**Reading:**

EXS+	KS1 National	All Schools – Reading EXS+							
		AFS		CED		GOR		NHM	
		KS1	Term 6	KS1	Term 6	KS1	Term 6	KS1	Term 6
All pupils	75	75.8	58.6	69.7	59.2	76.7	63.3	75.3	68.3
Average attendance		95.3		94.9		96.6		95.1	

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EXS+	KS1 National	All Schools – Reading EXS+					
		MJS		NHP		PEN	
		KS1	Term 6	KS1	Term 6	KS1	Term 6
All pupils	75	78.3	77.1	75.3	52	73.6	74.4
Average attendance		96.4		96.1		95.8	

**Writing**

EXS+	KS1 National	All Schools – Writing EXS+							
		AFS		CED		GOR		NHM	
		KS1	Term 6	KS1	Term 6	KS1	Term 6	KS1	Term 6
All pupils	69	69	86.9	65.4	66.7	65.4	65.7	64.7	69.4
Average attendance		95.3		94.9		96.6		95.1	

EXS+	KS1 National	All Schools – Writing EXS+					
		MJS		NHP		PEN	
		KS1	Term 6	KS1	Term 6	KS1	Term 6
All pupils	69	69.8	77.1	58.5	48.1	65.1	81.8
Average attendance		96.4		96.1		95.8	

**Maths**

EXS+	KS1 National	All Schools – Maths EXS+							
		AFS		CED		GOR		NHM	
		KS1	Term 6	KS1	Term 6	KS1	Term 6	KS1	Term 6
All pupils	76	65.5	58.6	69.1	51.9	78.9	60	74.1	63.5
Average attendance		95.3		94.9		96.6		95.1	
Average engagement		60.1		55.7		67.1		76	

EXS+	KS1 National	All Schools – Maths EXS+					
		MJS		NHP		PEN	
		KS1	Term 6	KS1	Term 6	KS1	Term 6
All pupils	76	78.3	73.5	71.4	42.9	72.8	72.1
Average attendance		96.4		96.1		95.8	

**Ofsted outcomes 2020/21:**

All our Ofsted inspected schools are good or better. A number of our schools were inspected as part of Ofsted's assessment of remote provision – all these inspections went well with positive letters published by Ofsted. The Victory Academy has a Section 8 NFD inspection which resulted in a positive inspection report.

Ofsted over time:

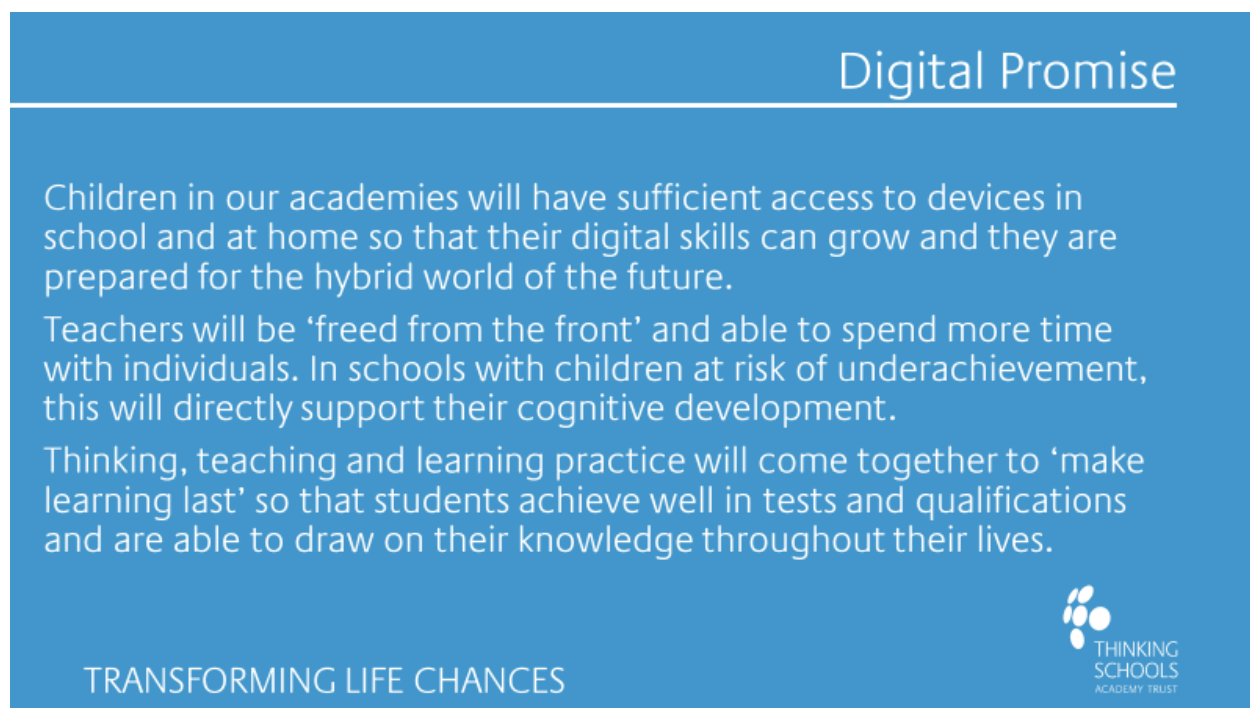
Ofsted Judgement of Trust Schools	Sept 2016	Sept 2017	Sept 2018	Sept 2019	Sept 2020	Sept 2021
Outstanding	1 (9%)	1 (8%)	2 (13%)	2 (12%)	2 (13%)	2 (12%)
Good	3 (27%)	9 (69%)	10 (63%)	12 (71%)	13 (81%)	14 (82%)
RI	3 (27%)	2 (15%)	2 (13%)	2 (12%)	0	0
Inadequate	0	0	0	0	0	0
No judgement	4 (36%)	1 (8%)	2 (13%)	1 (6%)	1(6%)	1 (6%)

**Directors' Report**  
**For the year ended 31 August 2021**

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**Accelerated digital provision:**

As a consequence of Covid we have significantly accelerated our digital offer in schools. This is a very exciting development for us. We are committed to evolving pedagogy so that our digital strategy does not simply add another teaching and learning tool to the classroom but fundamentally changes the way teachers teach and students learn. This is summarized in our Digital Promise:



The graphic features a blue background with white text. At the top right, the title "Digital Promise" is written in a large, sans-serif font. Below it, three paragraphs of text describe the vision for digital learning. At the bottom left, the phrase "TRANSFORMING LIFE CHANCES" is written in all caps. At the bottom right, the Thinking Schools Academy Trust logo is displayed, consisting of a cluster of white dots above the text "THINKING SCHOOLS ACADEMY TRUST".

**Digital Promise**

Children in our academies will have sufficient access to devices in school and at home so that their digital skills can grow and they are prepared for the hybrid world of the future.

Teachers will be 'freed from the front' and able to spend more time with individuals. In schools with children at risk of underachievement, this will directly support their cognitive development.

Thinking, teaching and learning practice will come together to 'make learning last' so that students achieve well in tests and qualifications and are able to draw on their knowledge throughout their lives.

TRANSFORMING LIFE CHANCES

THINKING SCHOOLS ACADEMY TRUST

The Portsmouth Academy is our pilot school for this development and their Year 7 are the first group to be offered one:one devices and  $\frac{3}{4}$  of students have bought into the scheme – this is a huge success.

For further roll-out plans please see strategic planning section.

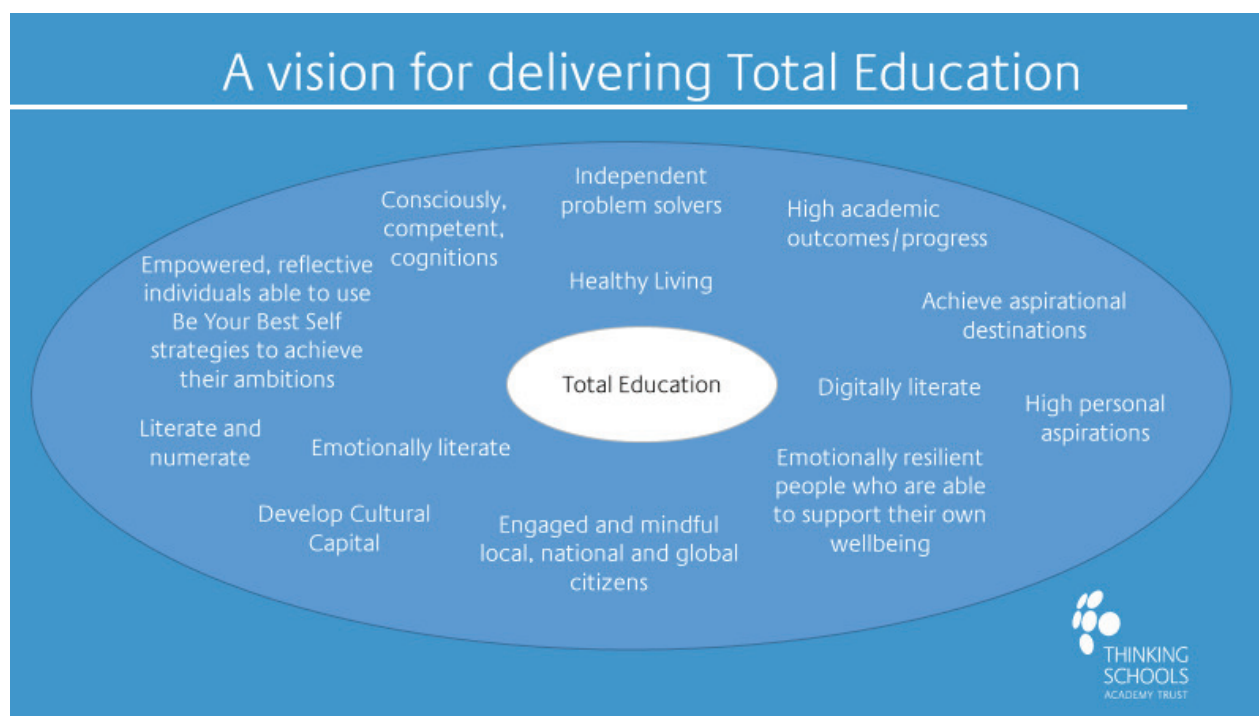
**Covid Catch-up:**

As part of the Government's support program the Trust was allocated funding to support students catch-up after lost learning caused by the pandemic. A significant proportion of the Covid catch-up funding was passported to schools for local solutions and we created a dedicated central fund for students to access additional tuition. A small proportion of the funding was used to support cross-Trust provision to support students. This fund provided support as follows:

- ICT provision for students unable to access distance learning;
- Be Your Best Self Journals for all schools;
- centrally funded Artsmark applications;
- TSAT Cultural Passport – subsidised visits;
- summer 2021 creativity pack;
- Trust Aspiration Day;
- pilot project using GL Assessments in English and Maths in KS3;
- Lexia trial for comprehensive / non-selective schools to support literacy;
- paid for T&L leads to have extra time to deliver Teaching to Remember strategies in the classroom.

**Evolution of our ambition:**

Previously our Trust has intended to deliver high quality education through a cognitive approach. However, the definition of "high quality" was largely focused on academic outcomes and Ofsted Grades. Therefore, it has become clear during the academic year in discussions across our Trust that our ambition is much greater than this. In discussion with our Headteacher's and our Board we are broadening and being explicit about our ambition to deliver "Total Education" through a cognitive framework. This ambitious vision of Total Education is set out in the diagram below:



During the course of the next academic year we intend to create qualitative and quantitative measures by which we can assess our delivery against our ambition to deliver Total Education.

**Thinking Accreditation – Exeter University:**

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

School	Accreditation status	Years in the Trust
AFS	Accredited Thinking School	10
CED	Accredited Thinking School	5
GA	Working towards*	3
GOR	Accredited Thinking School	6
HGS	Accredited Thinking School	7
MIS	Working towards	3
MJS	Working towards*	4
MWI	Working towards*	4
NBJ/PEN	Accredited Advanced Thinking School	7
NHM	Accredited Thinking School	6
NHP	Working towards	2
PHSG	Working towards	0
RGS	Accredited Advanced Thinking School	10
TPA	Accredited Advanced Thinking School	7
VIC	Accredited Thinking School	6

\*Note – these schools would have been accredited in 2020/21 but were unable to do so due to Covid restrictions

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**Directors' Report**  
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**Celebratory Achievements:**

This year saw our schools triumphantly and proudly rise from the challenges of Covid-19 and as you will see throughout this report, the pandemic has not stopped us from delivering an amazing educational offer for all our students. We are immensely proud of all the fantastic activities that take place in our schools alongside the delivery of high quality cognitively based learning in the classroom.

The year got off to a positive start as Goodwin Academy celebrated its teachers' amazing success at Kent Teacher of the Year awards. Cate Hayes-Watkins and Kirsty Gaythwaite were selected from hundreds of teachers around Kent and presented with four awards. Cate was honoured with the Dover District Drama Teacher of the Year and the Overall Secondary School Teacher of the Year. While Kirsty took home the Dover District Math's Teacher of the Year and Overall Math's Teacher of the Year Award.

In September the fantastic teams at Meredith Infants and Isambard Junior schools worked hard to complete the merger of the two schools in preparation of the official launch of New Horizons Primary School Portsmouth. Our main aim with this merger was to provide the offer of an all through primary school to parents, New Horizons Primary under the excellent leadership of Lucy Carroll.

This year we launched a significant project Trust Long Service Awards. These awards were recognition of the work, dedication, and loyalty of our colleagues. It is incredibly important to recognise these staff and as the HR team pulled together the long service staff, I was humbled by how many of them we were able to recognise for their service. This year we had the honour of awarding 520 members of staff.

We may have been in lockdown, but the creative imagination of our students certainly was not. In a fantastic achievement and Trust first, a student from Rochester Grammar School won a design competition where they were challenged to design a flag on behalf of the UK Polar Network which symbolises the continent. Their winning design was then taken to and displayed in Antarctica by researchers.

The Portsmouth Academy received high praise from their local MP Stephen Morgan on their safe return to the classroom. He gave special thanks to the school staff and teachers for their tireless hard work and dedication. Although this visit was specifically to TPA, we believe it is a sentiment and praise that belongs to all our schools.

Congratulations to Cedar Children's Academy who won a notable Mental Health Award for their admirable efforts to maintain wellbeing throughout their school. The school is immensely proud to have been one of only three schools in Medway to be awarded the Carnegie Centre of Excellence Mental Health Award for Schools. The award recognises the efforts of the school to provide an outstanding mental health and well-being provision for all its children and staff.

In an exciting move that will mould the future of Thinking, Teaching and Learning at our Trust, Laura Gladstone was appointed as the new Trust Lead for Teaching & Learning. Laura is a valued team member at The Victory Academy, and more recently at Holcombe Grammar School, as Head of School and Senior Leader for Teaching, Learning and Assessment; CPD; ITT/NQT and Senior Leader for Literacy. She is a Fellow of the Chartered College of Teaching and an avid researcher - passionate about metacognition and metamemory. She is already proving to be a great asset in her role.

Congratulations to the team at New Horizons Children's Academy who were thrilled to receive their reaccreditation as a 'Thinking School'. Awarded by the University of Exeter, the school will hold this prestigious status until 2024

The Government decided that this year young people's grades would be determined by teachers, based on work they had produced throughout their courses. Following these challenges, as a Trust, we are delighted by the GCSE and A Level results achieved by our students. These grades reflect the dedication of our staff, who have worked tirelessly to ensure our students are supported and they reach their full potential.

The Portsmouth Academy said farewell to the last all girl cohort. During September 2017, the secondary school became co-educational, welcoming boys, making this intake the final all-girl year. While the Covid pandemic had an impact on any big farewell celebrations of the 92-strong final all-girl cohort, the girls did get together one final time for goodbye inspirational presentations from the Principal and Head of Year.

The Portsmouth Academy successfully launched the One:One device scheme with this year's cohort of Year 7 students. The Trust worked with its central technology team to bulk procure 250 devices for the new Year 7 cohort at The Portsmouth Academy and also integrate the devices into the shared network. It is evident already that our Year 7 students are growing with confidence, not only in their abilities to adapt to technology but also classroom contributions.

Plymouth High School for Girls and their Earth Alliance Group welcomed students from our family of schools within our Trust to join them for their first ever Earth Alliance Conference. The student hosted event saw over 25 students from across 9 schools come together to discuss a proposal for action within all Trust schools, designed to lessen our impact on the environment. The secondary school were thrilled to invite Keynote Speaker, Dr Tim Daley of The University of Plymouth as their special guest. Following the conference, the Plymouth High Student Leaders presented the views of the student delegates to the Trust Executive Board.

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## **The Thinking Schools Academy Trust**

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#### **Directors' Report**

##### **For the year ended 31 August 2021**

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We are delighted to announce that Lee Miller, Deputy Chief Executive, was appointed an MBE in the Queen's Birthday Honours for services to education. This honour is richly deserved. Lee's work over the last seven years has been instrumental in the Trust's progress and, more importantly, he has played a significant role in helping us provide a fantastic education to tens of thousands of children and young people so that they can go on to live successful lives.

At our Leadership Trust Conference, we reflected on the extent of our ambition for the experience of the young people in our care and agreed that we should recognise and celebrate this through a stated desire to deliver Total Education.

#### **Central success 2020/21 and Plans 2021/22**

#### **THINKING FACILITIES**

##### **Achievements in 20/21**

- Continued to assist in managing the Coronavirus response from a facilities and H&S perspective, through lockdowns, hybrid learning and phased re-openings. Provided risk assessments, additional control measures and communication to Headteachers;
- worked with Thinking Technology and others to deliver multiple projects across all school sites, including significant Capital works (e.g. CDR roof, HGS Fire escape, TPA car park); Pot 4 refurbishment (MJS painting; HGS Flooring; RGS Flooring) and in-house maintenance (RGS painting; NBR groundworks; TVA memorial);
- worked at pace to develop an Alternative Provision unit at Penhale Infant School in conjunction with Portsmouth City Council (PCC) delivered for opening Sept 2021, in under a year.

##### **Plans for 21/22**

- Establish new Hub in the South West and engage with due-diligence and on-boarding of any schools looking to join the Trust in any location;
- coordinate new compliance system across Facilities and Health & Safety to give consistency of reporting across all sites alongside existing Helpdesk system;
- work with PCC to develop Alternative Provision unit at the Bridge site based at The Portsmouth Academy along with further work at Newbridge Junior School and Penhale Infant School to ensure long-term growth.

#### **THINKING FITNESS**

##### **Achievements in 20/21**

- Successful re-opening of Thinking Fitness Gym in Chatham following national lockdowns and restrictions imposed by COVID;
- a central lettings team formed to generate further income for all schools within TSAT;
- maintained a relatively positive financial position despite the pandemic.

##### **Plans for 21/22**

- Open Thinking Fitness Gym at Rochester Grammar School;
- re-launch and rebrand of Thinking Fitness in Plympton;
- overhaul of lettings structure with goal to increase lettings income across our schools and also improve the administrative processes to become more efficient.

#### **THINKING FINANCIAL**

##### **Achievements in 20/21**

- Successful on-boarding of Plymouth High School into TSAT financial systems and accounts;
- introduction of financial administration of new One:One device scheme launch completed at TPA;
- contracts taken on with external Trusts to provide them with financial management and operations support.

##### **Plans for 21/22**

- PS Purchasing web ordering system rollout to all current schools;
- develop an improved direct debit portal to take One:One device payments;
- develop an improved system to manage credit card receipts.



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**THINKING TECHNOLOGY**

**Achievements in 20/21**

- Completion of the deployment of the Trust Single Network (TSN) into Plymouth High School for Girls, and the establishment of Thinking Technology within the south west;
- launch of the 1:1 device pilot for Year 7 pupils at Portsmouth Academy, to provide anytime and anywhere access to learning to help students to make their learning last;
- procurement and configuration of a new Trust-wide Internet Filtering solution, which enables user based filtering to provide a safe and consistent browsing experience for students and staff when using Trust owned devices or managed 1:1 devices in school and at home;
- renewal of the Trust's broadband contract, which will provide additional bandwidth across all schools to provide sufficient capacity to enable the wider roll out of the 1:1 scheme.

**Plans for 21/22**

- Onboarding of Plympton Academy onto the Trust Single Network (TSN) and launch of Thinking Technology within the school;
- review of the 1:1 device pilot at Portsmouth Academy, and further expansion of the scheme into at least another 3 year groups (TPA Y7, NJS & MJS);
- supporting the opening of Maritime Academy in September 2022, to provide a new state of the art school with outstanding IT facilities;
- obtaining cyber essentials certification, through external audit of IT systems and services and responding to actions identified during the audit.

**THINKING PERSONNEL**

**Achievements in 20/21**

- Completion of the support staff job evaluation process;
- first external customer onboarded under TSfE;
- the development of the Professional Growth policy.

**Plans for 21/22**

- Review and implementation of support staff pay structure;
- establishment of an Equality Diversity and Inclusion strategy group

**THINKING CREATIVE**

**Achievements in 20/21**

- Trust-wide Covid-19 communication support;
- successful delivery of the One-One device communications strategy;
- the completion and launch of the Little Thinkers Re-brand;
- growth of Team to offer a wider and more complete service;
- first external customer onboarded under TSfE;
- supported schools with 6x Trust-wide #weareone events;
- support for multiple large scale building projects (design and brand).

**Plans for 21/22**

- Redesign and launch of all school / Trust websites;
- launch of 3 commercial services which includes a rebrand / new brand; new website; communications launch;
- team growth and embedding of new communications & design staff;
- continued growth of external TSFE clients;
- communications support for the Maritime Academy – specific focus on student recruitment and first year temporary site;
- development of the school marketing strategies.

**Strategic planning 2021/22:**

The Trust continues its improvement through focus on five key pillars as set out in the diagram below:



**Planning for the development of Evolution of Self:**

**1. Be Your Best Self (BYBS):**

- Students to be fully participating in the BYBS program – using reflective journals and core resources;
- think Ahead Professional Growth targets – growth models - and Weekly 10 check-ins.

**2. Delivering Total Education**

- Audit provision.
- agree Trust cultural capital passport for 2022 launch;
- support all schools to become Artsmark Schools.

**3. Thinking Foundation**

- Register as Charity;
- website developed;
- pilot information and impact gathering on through Thinking Journey;
- ensure all schools are “Back on Track” with their Thinking Accreditation Journey.

**4. Being Reflective to be Effective:**

- Link to new Think Ahead Professional Growth model + launch of Weekly 10;
- embedded practice in whole school meetings.

**Planning for the development of Trust of Choice:**

**1. Recognition:**

- Application for Investor in People Award;

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- review and update internal recognition program;
- habitualise applications for awards at every level clarify and agree recognition routes;
- habitualising change management process within new structures;
- brand development – audit internal and external comms and develop comms strategy;
- habitualise – Thank-you moments;
- habitualise – Long Service Awards.

**2. We are One**

- Major theme of induction;
- roll out 2020 induction plan for Sept 2021;
- develop previous themes:
  - share regular Hub updates to be shared in Hub Schools;
  - opportunities for students to collaborate within each Hub + Trust, focus on Diversity and Earth Alliance;
  - use network home screen as platform for whole Trust news;
- develop Social Media presence and training – automate / systematic;
- building Connections – Plymouth to Trust, Portsmouth to Thinking Horizons;
- promote and embed SLT Teams groups linked to Back on Track agenda;
- reflect on MAT Monday approach to maximise impact.
- Increased use of virtual world to support events – open days, induction, staff briefings, assemblies etc.
- Use of Teams to reduce workload – shared resources – single Trust file structure.

**Planning for the development of Growing Great Leaders:**

1. Thinking Horizons:

- Increase Primary participation;
- teacher Training delivered in Portsmouth;
- roll out ECF;
- interactive Career mapping;
- principals Program;
- development of governor CPD provision;
- develop of formal systems to support a coaching culture;
- offer supervision and coaching for Headteachers.

2. Personalised CPD mapping:

- Connect Career mapping to personalised CPD program to meet career goals (including new starters).

3. CPD on Demand:

- Meta-memory;
- digital delivery skills.

4. Certify to Verify

- All content created includes assessments.

**Planning for the development of Building with Confidence:**

1. Knowing our Schools:

- Roll out agreed method to collate agreed data;
- ID and plan for central data collection / tracking;
- embed use of heatmap tracking in our schools;
- re-establish deep dive QA;
- successful Maritime launch / recruitment / students / staff;
- become expert users of MS Forms to streamline admin;
- HR to reflect on interview process to ensure we secure the right fit – recruitment competency framework.

2. Outstanding Ofsted:

- GOR – G
- NHM – G to O
- RGS – O
- MIS – G / O

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- TPA – G
- GA – G
- MJS – G to O
- MWI – G
- NJS – G to O
- PEN – G
- VIC – G
- Prepare for Trust Inspection

3. School Improvement Strategy:

- Formalise school to school subject support system;
- online support directory;
- develop expertise strategy around AP.

**Planning for the development of Success Through Learning:**

1. Great Curriculums - Safety net not a straitjacket:

- Subject knowledge development programmes for non-specialists;
- Maths KS2 curriculum – relaunch;
- QA of central network file structure and content;
- develop Cornerstone curriculum resources and planning at Hub level;
- establish Hub TSAT Teacher meets;
- secondary core – skeleton planning for agreed specs;
- secondary foundation subjects – audit current position, where KS4 alignment consider how to build collaboration where there is not alignment focus on joint planning for KS3;
- develop Secondary KS3 assessment framework;
- agreeing and imbedding Primary tracking methodology;
- Little thinkers – roll out according to timeline;
- roll out agreed interpretation of new EYFS curriculum into Little Thinkers;
- knowledge banks for Primary Cornerstones – ensure they are in place and QA'd;
- profile and use of Secondary knowledge banks to be imbedded;
- expand use of Digital Home Learning;
- TPA 1-1 digital project + Digital Literacy;
- enhanced parental engagement - Virtual parents evenings + Seesaw;
- use of video to support / reinforce learning;
- KS4 / KS5 pedagogy project.

2. Teaching to remember:

- Trust approach to X times;
- assessment - baseline what our staff know about metacognition;
- metacognition / teaching to remember modules prioritised for CPD video.

**Going concern**

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

**Key performance indicators**

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

- School performance as detailed by the regulator (Ofsted);
- latest pupil outcome performance targets;
- pupil attendance targets;

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**Key performance indicators (continued)**

- percentage of income spent on teaching staff;
- percentage of income spent on total staff costs;
- pupil numbers surplus (leading directly to ESFA funding level);
- general financial stability - aim for income to match expenditure each year;
- staff turnover.

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

**Promoting the success of the Trust**

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

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

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

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

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

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

**FUNDRAISING**

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

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Trust distributes 16-19 bursary funds to the students as an agent for the ESFA. Details, including any amounts not dispersed by the financial year end, are disclosed in note 36 to the financial statements.

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

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**STREAMLINED ENERGY AND CARBON REPORTING (SECR):**

<b>UK Greenhouse gas emissions and energy use data</b>	<b>Current Reporting 2021/22</b>	<b>Comparison Reporting year 2019/20</b>
Energy consumption used to calculate emissions (kWh)	10,845,753.7	10,083,532.3
Energy consumption break down (kWh) (optional):		
<b>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</b>		
Gas consumption	1,054.844	968.098
Oil consumption	313.094	272.977
Owned transport – mini-buses, pool cars, department vans	21.851	25.857
<b>Total Scope 1</b>	<b>1,389.789</b>	<b>1,266.931</b>
<b>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</b>		
Purchased electricity	<b>803.739</b>	<b>853.042</b>
<b>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</b>		
Business travel in employee owned vehicles	<b>11.652</b>	<b>11.527</b>
<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>2,205.181</b>	<b>2,131.500</b>
Intensity ratio Tonnes CO <sub>2</sub> e per pupil	0.223	0.253

The information in the table above follows the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used 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**

We have continued to use video conferencing (in particular following the various lockdown measures in this period) to limit travel. Where schools were closed down, facilities staff ensured that devices were switched off, and additionally, LED lighting has been installed in various locations across much of the school sites.

**Financial review**

Plymouth High School for Girls joined the Trust on 1 February 2021, therefore the financial results contain the net income of £4.2m representing the value of this school's assets (including the estimated value of the school land and buildings) less all liabilities on hand at this date which transferred into the Trust. This net income is included in donations on the consolidated Statement of Financial Activities ("SoFA") on page 37, and summarised in note 3 and detailed in note 29.

It is important to note that the financial statements represent group financial statements. Details of the Trust's subsidiary companies which are consolidated in the Group accounts are provided in note 17. In accordance with accounting requirements the SoFA provides details of the Group consolidated income and expenditure, after the elimination of any transactions between Group companies. Both a consolidated Balance Sheet and The Trust's own individual Balance Sheet are included within the financial statements. Note 30 provides details in respect of the parent company Academy Trust's own net movement in funds.

Most of the Trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to specific purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the SoFA. Core grant income has been supplemented by capital funding and various other self-generated income streams.

Total Group income for the year was £65.6m compared to £56.8m in the previous year. Over 98% of this total income related to the parent Academy Trust, and note 4 shows the subsidiary income consolidated into the Group accounts.

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These totals also include capital funding of £4.6m (2020: £3.0m), primarily guaranteed School Condition Allocation (SCA) from the ESFA. The Group's income can therefore be split as follows:

	<b>2021 (£000s)</b>	<b>2020 (£000s)</b>
Revenue income for the day to day running of the Trust's academies	55,415	47,719
Net donation for inherited assets for joining academies	4,182	-
Capital funding	4,632	3,025
Donated capital assets	566	5,350
Subsidiary income	835	743
	<b>65,630</b>	<b>56,837</b>

Revenue income funding therefore increased by £7.696m. The majority of this income related to funding for education operations, as detailed in note 5, and within this the greatest element (80%) was core General Annual Grant (GAG) funding from the ESFA.

The increase in revenue income funds of £7.696m is attributable to:

- A £6.7m rise in DfE/ESFA grants to £51.3m, which is partly attributable to the current year including £2.2m for Plymouth High School for Girls for the period 1 February to 31 August 2021. The remainder of this increase is due to a general increase in funding, and to a small degree increased pupil numbers;
- £986k Covid-19 funding paid by the DfE/ESFA to help the Trust respond to the coronavirus pandemic. This funding included catch-up premium, paid to all schools to help them support their pupils catch up after missed learning opportunities throughout the pandemic. Further details are given in the narrative at the foot of note 5.

The consolidated SoFA shows net income for the year of £4.449m (2020: £3.773m). The overall net movement in funds, after actuarial movements on the Local Government defined benefit pension scheme ("LGPS"), was an increase of £1.785m (2020: decrease of £27k).

The large actuarial loss on the LGPS during the year shown in the table below arises due to changes in the actuarial assumptions used by the schemes' actuaries, which are updated at each accounting date to allow for changes in market conditions. Full details of the pension liability and assumptions used are disclosed in note 32. The actuarial loss for the year is only part of the overall movement in the carried deficit, which has increased by £6.2m. The other elements are charged to the SoFA as expenditure for the year, within staff costs, as detailed in accounting policy 1.16.

The movement on revenue income funds is not shown directly on the SoFA. The table which follows reconciles from the overall movement in funds by adjusting for non-revenue amounts to reach the increase in revenue funds during the year of £2.012m (2020: £630k).

	<b>2021 (£000s)</b>	<b>2020 (£000s)</b>
Overall net movement in Group funds for the year per SoFA	1,785	(27)
<u>Add:</u>		
Decrease / (increase) attributable to fixed asset fund	(7,990)	(5,537)
Decrease / (increase) in endowment fund	-	2
LGPS liabilities inherited from joining academies	1,936	-
LGPS actuarial (gain)/loss	2,664	3,800
LGPS service and interest costs	3,617	2,392
<b>Total movement in-year on revenue income funds</b>	<b>2,012</b>	<b>630</b>

This movement in revenue income funds still does not represent actual funds available to The Trust for two reasons:

- part of the movement on revenue income funds arises due to the Plymouth High School for Girls surplus of £593k that was inherited when that school joined the Trust;
- the Trust opted to invest £1.2m of revenue funding in acquiring capital assets, and these are shown on the SoFA as transfers into the restricted fixed asset fund.

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The following table has therefore been included to reconcile to the available revenue funds:

	2021 (£000s)	2020 (£000s)
<b>Total movement in-year on revenue income funds</b>	<b>2,012</b>	<b>630</b>
Less: surplus inherited on revenue funds from other joining academies	(568)	-
Revenue to capital transfers	1,219	203
<b>Surplus on revenue funds</b>	<b>2,663</b>	<b>833</b>

At 31 August 2021, the Group held fixed assets with a value of £106m (2020: £100m) and movements in tangible fixed assets are shown in notes 15 and 16 to the financial statements. Most of these assets are owned by the parent Academy Trust and £101m (2020: £97m) relates to the value of leasehold school buildings.

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

#### **Financial position**

The Group held fund balances at 31 August 2021 of £78.672m (2020: £76.887m). All funds apart from £138k (2020: £110k) related to the parent Academy Trust. These funds included restricted fixed asset funds of £110.185m (2020: £102.195m) and unrestricted revenue funds of £1.878m (2020: £1.291m).

One fund was in deficit at the 31 August 2021, the pension reserve. This deficit of £34.374m (2020: £26.157m) does not mean that an immediate liability crystallises; it results in a cash flow effect for The Trust in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of The Trust because of recognising the deficit. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions due from The Trust have been set until 1 April 2023. The rise in the pension deficit during the year is explained above under the financial review.

Restricted revenue income funds returned to a cumulative surplus position during the year and stood at £983k at 31 August 2021 (2020: deficit of £442k). The Trust also has completely "free" unrestricted reserves of £1.740m (2020: £1.291) which can be spent in any way which meets the Trust's charitable objects.

#### **Reserves policy**

The Directors review the reserve levels of The Trust, and of each individual academy, on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Directors have determined that the permitted level of free reserves for recurrent costs should be maintained in order to provide sufficient working capital to cover delays between spending and receipt of grants, and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

At 31 August 2021 The Trust held revenue income reserves of £2.7m (2020: £739k), shown on the Trust's individual Balance Sheet as restricted income funds of £983k (2020: deficit funds of £442k) and completely free unrestricted funds of £1.7m (2020: £1.2m). The board continually reviews the reserves balance to ensure it is at an adequate level and suitable to manage future uncertainties

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

#### **Principal risks and uncertainties**

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

- *Strategic and Reputational* - This covers unfavourable Ofsted reports, risk of uncontrollable events and insufficient demand for academy services, competition from other schools with similar objects and little scope for differentiation, and also includes the capacity of existing buildings to deliver teaching and learning to students;



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- *Operational risks* – These are the risks associated with appointing the right quality staff and Governors to lead the organisation and the individual academies;
- *Compliance risk* – The risks in connection with meeting statutory requirements relating to employment, Health & Safety and those set by the DfE; and
- *Finance risk* - The Board monitors the financial risk associated with managing a large organisation that balances local autonomy with the need to establish good financial controls. There are also risks in connection with the deficit on the Local Government Pension Scheme, although the Directors are comfortable with the current level of employer contributions the academies are required to pay.

**Financial and risk management objectives and policies**

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

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

- *Liquidity risk* – The Trust operates a pooled bank account and so that all its operating needs are met without the need for short-term borrowing;
- *Interest rate risk* - The Trust earns interest on cash deposits. With interest rates currently low, the Directors consider action to increase the income from these deposits, whilst ensuring it does not jeopardise the liquidity or security of the academy's assets;
- *Credit risk* - this arises from the possibility that amounts owed to the academies will not be repaid. None of the academies undertake credit activities so are only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

**DISCLOSURE OF INFORMATION TO AUDITORS**


In so far as the Directors are aware:

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

**AUDITORS**

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

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



Mr. P. Martin, Chair of Directors



Mr. S. Gardner, Chief Executive and Accounting Officer

Date: 15 December 2021

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

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**Governance Statement**

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**Scope of Responsibility**

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

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

**Governance**

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

<u>Director</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr. P. Martin, Chair of Trustees	6	6
Mr. S. Gardner, Chief Executive	6	6
Mr. M.R. Bailey	4	6
Mr. D. Morrison	6	6
Mr. G. Newman	6	6
Mrs. L. Randall	4	6
Mr. S. Geary	5	6
Ms. R. Jordan-Evans	3	5
Mr. D. Lycett	6	6
Mr. I. Mason	4	5

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

Each Academy is part of a Regional Governing Body that is made up of parents, staff and those appointed by Directors.

The Board have agreed a Regional Governing Body structure of 6 groups: Strood, Chatham, Kent, Portsmouth, and Fratton, plus an Interim Management Board for Plymouth.

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

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

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

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

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

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**Governance Statement**

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**Governance (continued)**

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

<u>Director</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr. S. Gardner	3	3
Mr. M. Bailey	1	3
Mr. P. Martin	3	3
Mr. A. Jackson	2	2
Mr. R. Burnett	2	2

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

Attendance at meetings in the year was as follows:

<u>Director</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr. P. Martin	3	3
Mr. D. Morrison	3	3
Mr. G. Newman, Chair	3	3

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

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

Attendance at meetings in the year was as follows:

<u>Director</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr. P. Martin	2	3
Mr. S. Gardner	2	3
Mr. M. Bailey	2	3
Mrs. R. Jordan-Evans	3	3

**Review of value for money**

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

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

- Using senior staff to support other Trusts that has resulted in a reduction in senior staff net costs to The Trust;
- pooling the procurement decisions across Central services, such as Personnel, Finance, Facilities and Technology has led to an ability to generate reductions in cost per pupil for these services compared to previous years. Administration of procurement and contracts has also been reduced through this approach;
- catering and cleaning contracts have been retendered, and as a result The Trust has secured an improved arrangement for both services going forward;

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## **The Thinking Schools Academy Trust**

### **(A company limited by guarantee)**

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#### **Governance Statement**

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- external work conducted through TSfE has enabled profits to be gift-aided back to The Trust and provided savings and efficiencies within teams providing outsourced work, generating cost savings that are reinvested into The Trust.
- forming an external Lettings Team to focus on income generation from use of the Trust estate that can benefit all academies within the Trust

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Thinking Schools Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The Board of Directors has reviewed the key risks to which The Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing The Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

#### **The Risk and Control Framework**

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

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

The Board of Directors has considered the need for a specific internal audit function and has decided to appoint Cooper Parry to perform an internal audit function for The Trust with segregated teams. Cooper Parry replaced UHY on providing internal audit services due to regulatory requirements which required UHY to retire from this role.

The appointees' role includes giving advice on financial matters and performing a range of checks on The Trust's financial systems. The Audit & Risk Committee has designed a programme of work across The Trust based on the relative risks. The appointee has performed three system checks throughout the year and has reported to the Audit & Risk Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

During the year ended 31 August 2021 the internal audit function has been fully delivered in line with the requirements of the Education & Skills Funding Agency, and as planned. No material control issues have arisen and any recommendations for improvements are reported and monitored by the Audit & Risk Committee.

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

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**Governance Statement**

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**Review of Effectiveness**

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

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

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

Approved by order of the Members of the Board of Directors and signed on their behalf, by:



Mr. P. Martin, Chair of Directors



Mr. S. Gardner, Chief Executive and Accounting Officer

Date: 15 December 2021

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**The Thinking Schools Academy Trust**  
**(A Company Limited by Guarantee)**

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**Statement on Regularity, Propriety and Compliance**

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As accounting officer of The Thinking Schools Academy Trust I have considered my responsibility to notify the Academy Trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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

*S. Gardner*

**Mr. S. Gardner**  
Chief Executive and Accounting Officer

Date: 15 December 2021

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**The Thinking Schools Academy Trust**  
**(A Company Limited by Guarantee)**

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**Statement of Directors' responsibilities**  
**For the Year Ended 31 August 2021**

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

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

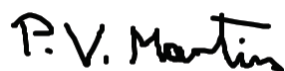
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

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

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

Approved by order of the members of the Board of Directors and signed on its behalf by:



**Mr. P. Martin**  
(Chair of Directors)

Date: 15 December 2021

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**The Thinking Schools Academy Trust**  
**(A Company Limited by Guarantee)**

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

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**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements 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 Group's or the parent 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 Directors 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 Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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



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

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

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

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

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

**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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:

*How the audit was considered capable of detecting irregularities including fraud*

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the Academy Trust through discussions with management, and from our commercial knowledge and experience of the academy and wider education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the Academy Trust, including the Academies Financial Handbook, Annual Accounts Direction, Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Academy Trust's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

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**The Thinking Schools Academy Trust**  
**(A Company Limited by Guarantee)**

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

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- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Use of our report**

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

**Allan Hickie BSc FCA (Senior statutory auditor)**

for and on behalf of

**UHY Kent LLP**

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 17 December 2021

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**The Thinking Schools Academy Trust**  
**(A Company Limited by Guarantee)**

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

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In accordance with the terms of our engagement letter dated 7 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Thinking Schools Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Thinking Schools Academy Trust's funding agreement with the Secretary of State for Education dated 26 August 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of The Thinking Schools Academy Trust for the year ended 31 August 2021 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance. The work undertaken to draw to our conclusion included:

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

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**The Thinking Schools Academy Trust**  
**(A Company Limited by Guarantee)**

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

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: 17 December 2021

The Thinking Schools Academy Trust  
(A Company Limited by Guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)  
For the Year Ended 31 August 2021

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
<b>Income from:</b>						
Donations and capital grants	3	56	(1,347)	10,748	9,457	8,403
Other trading activities	4	1,295	139	-	1,434	1,421
Investments	6	2	-	-	2	23
Funding for educational operations	5	118	54,481	-	54,599	46,902
Teaching schools	38	-	138	-	138	88
<b>Total income</b>		<b>1,471</b>	<b>53,411</b>	<b>10,748</b>	<b>65,630</b>	<b>56,837</b>
<b>Expenditure on:</b>						
Raising funds		649	-	-	649	555
Charitable activities	8	182	56,218	3,977	60,377	52,456
Teaching schools	38	-	155	-	155	53
<b>Total expenditure</b>		<b>831</b>	<b>56,373</b>	<b>3,977</b>	<b>61,181</b>	<b>53,064</b>
<b>Net income/(expenditure)</b>		<b>640</b>	<b>(2,962)</b>	<b>6,771</b>	<b>4,449</b>	<b>3,773</b>
Transfers between funds	22	(53)	(1,166)	1,219	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>587</b>	<b>(4,128)</b>	<b>7,990</b>	<b>4,449</b>	<b>3,773</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	32	-	(2,664)	-	(2,664)	(3,800)
<b>Net movement in funds</b>	<b>22</b>	<b>587</b>	<b>(6,792)</b>	<b>7,990</b>	<b>1,785</b>	<b>(27)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,291	(26,599)	102,195	76,887	76,914
Net movement in funds		587	(6,792)	7,990	1,785	(27)
<b>Total funds carried forward</b>		<b>1,878</b>	<b>(33,391)</b>	<b>110,185</b>	<b>78,672</b>	<b>76,887</b>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 39 to 74 form part of these financial statements.

**The Thinking Schools Academy Trust**  
**(A Company Limited by Guarantee)**  
**Registered number: 07359755**

**Consolidated Balance Sheet**  
**As at 31 August 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Intangible assets	15	122	-
Tangible assets	16	106,176	100,122
		<u>106,298</u>	<u>100,122</u>
<b>Current assets</b>			
Debtors	18	2,732	2,205
Cash at bank and in hand		9,970	7,032
		<u>12,702</u>	<u>9,237</u>
Creditors: amounts falling due within one year	19	(4,950)	(5,311)
<b>Net current assets</b>		<u>7,752</u>	<u>3,926</u>
<b>Total assets less current liabilities</b>		<u>114,050</u>	<u>104,048</u>
Creditors: amounts falling due after more than one year	20	(1,000)	(1,000)
Provisions for liabilities		(4)	(4)
Defined benefit pension scheme liability	32	(34,374)	(26,157)
<b>Total net assets</b>		<u><u>78,672</u></u>	<u><u>76,887</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	22	110,185	102,195
Restricted income funds	22	983	(442)
Pension reserve	22	(34,374)	(26,157)
<b>Total restricted funds</b>	22	<u>76,794</u>	<u>75,596</u>
<b>Unrestricted income funds</b>	22	1,878	1,291
<b>Total funds</b>		<u><u>78,672</u></u>	<u><u>76,887</u></u>

The financial statements on pages 35 to 74 were approved and authorised for issue by the Directors and are signed on their behalf, by:

*P. V. Martin*

**Mr. P. Martin**  
 (Chair of Directors)

*S. Gardner*

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

Date: 15 December 2021

The notes on pages 39 to 74 form part of these financial statements.

**The Thinking Schools Academy Trust**  
**(A Company Limited by Guarantee)**  
**Registered number: 07359755**

**Academy Trust Balance Sheet**  
**As at 31 August 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Intangible assets	15	122	-
Tangible assets	16	106,162	100,105
Investments	17	25	25
		106,309	100,130
<b>Current assets</b>			
Debtors	18	2,723	2,201
Cash at bank and in hand		9,816	6,879
		12,539	9,080
Creditors: amounts falling due within one year	19	(4,940)	(5,276)
<b>Net current assets</b>		7,599	3,804
<b>Total assets less current liabilities</b>		113,908	103,934
Creditors: amounts falling due after more than one year	20	(1,000)	(1,000)
Defined benefit pension scheme liability	32	(34,374)	(26,157)
<b>Total net assets</b>		78,534	76,777
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	22	110,185	102,195
Restricted income funds	22	983	(442)
Pension reserve	22	(34,374)	(26,157)
<b>Total restricted funds</b>	22	76,794	75,596
<b>Unrestricted income funds</b>	22	1,740	1,181
<b>Total funds</b>		78,534	76,777

The financial statements on pages 35 to 74 were approved and authorised for issue by the Directors and are signed on their behalf, by:

*P. V. Martin*

**Mr. P. Martin**  
 (Chair of Directors)

*S. Gardner*

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

Date: 15 December 2021

The notes on pages 39 to 74 form part of these financial statements.

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**The Thinking Schools Academy Trust**  
**(A Company Limited by Guarantee)**

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**Consolidated Statement of Cash Flows**  
**For the Year Ended 31 August 2021**

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	<b>Note</b>	<b>2021</b> <b>£000</b>	<i>2020</i> <i>£000</i>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	24	1,959	<i>1,716</i>
<b>Cash flows from investing activities</b>	26	1,137	<i>834</i>
<b>Cash flows from financing activities</b>	25	(158)	<i>(316)</i>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		2,938	<i>2,234</i>
Cash and cash equivalents at the beginning of the year		7,032	<i>4,798</i>
<b>Cash and cash equivalents at the end of the year</b>	27, 28	<hr/> <u>9,970</u>	<hr/> <u><i>7,032</i></u>

The notes on pages 39 to 74 form part of these financial statements



**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

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

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Academy Trust and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

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

**1.2 Going concern**

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

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

**1.3 Income**

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

• **Grants**

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

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

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

• **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.

Notes to the Financial Statements  
For the Year Ended 31 August 2021

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1. Accounting policies (continued)

1.3 Income (continued)

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Group on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Group. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

• **Donated fixed assets (excluding transfers on conversion)**

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

1.4 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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

Where relevant expenditure is inclusive of any irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**1. Accounting policies (continued)**

**1.7 Intangible assets**

Intangible assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

**1.8 Tangible fixed assets**

All equipment costing more than £2,500 and property improvements costing more than £10,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

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

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

**1.9 Investments**

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

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

**1.10 Debtors**

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

**1.11 Cash at bank and in hand**

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**1. Accounting policies (continued)**

**1.12 Liabilities**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.13 Deferred taxation**

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

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

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

**1.14 Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**1.15 Operating leases**

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

**1. Accounting policies (continued)**

**1.16 Pensions**

Retirement benefits to employees of the Group are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Group in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Consolidated Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.17 Conversion to academy status**

The conversion from a state maintained school to academy status involves the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Plymouth High School for Girls to the Academy Trust have been valued at their fair value at the date of conversion. The fair value has been derived by the Trustees based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Consolidated Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 29.

**1.18 Agency arrangements**

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

The funds received and paid and any balances held are disclosed in note 36.

Notes to the Financial Statements  
For the Year Ended 31 August 2021

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1. Accounting policies (continued)

1.19 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 32, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

We consider that there has been one key area of judgement in respect of the actuarial assumptions made leading to the closing pension scheme liability:

**The "McCloud/Sargeant judgements".** These employment tribunal cases relate to all public sector pension schemes and not specifically to the Academy Trust. The cases relate to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material and a past service cost adjustment was made, within staff costs, in the trusts 2018/19 financial statements.

Since then a consultation has taken place. Then, on 13 May 2021, the Government issued a ministerial statement which confirms that changes will be made to the LGPS Regulations to compensate members directly affected by the change to career average benefits from 1 April 2014. The Government's intention is that revised regulations will come into force on 1 April 2023, and draft regulations are expected later in 2021.

In July 2021 the actuary has indicated that they do not believe there are any material differences between the approach underlying the estimated allowance and the proposed remedy, and therefore no further subsequent adjustment has been made.

**The Thinking Schools Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**3. Income from donations and capital grants**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Restricted fixed asset funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
Transfer from local authority on conversion (see note 29)	-	(1,368)	5,550	4,182	-
Donated assets	-	-	566	566	5,350
Donations	56	21	-	77	28
Capital grants	-	-	4,632	4,632	3,025
	<u>56</u>	<u>(1,347)</u>	<u>10,748</u>	<u>9,457</u>	<u>8,403</u>
<i>Analysis of 2020 total by fund</i>	<u>3</u>	<u>25</u>	<u>8,375</u>	<u>8,403</u>	

**4. Income from other trading activities**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
Hire of facilities	184	-	184	222
Thinking fitness	110	-	110	141
Catering profit share	143	-	143	153
School clubs	16	57	73	67
Sales of goods and services	7	76	83	85
Subsidiary income	835	-	835	744
Other	-	6	6	9
	<u>1,295</u>	<u>139</u>	<u>1,434</u>	<u>1,421</u>
<i>Analysis of 2020 total by fund</i>	<u>1,342</u>	<u>79</u>	<u>1,421</u>	

**The Thinking Schools Academy Trust**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**5. Funding for educational operations**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>As restated Total funds 2020 £000</i>
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	44,917	44,917	38,893
Other DfE/ESFA grants				
Pupil Premium	-	2,833	2,833	2,595
UIFSM	-	383	383	223
Teachers' pension grant	-	1,588	1,588	1,455
Teachers' pay grant	-	547	547	500
Others	-	1,062	1,062	947
	-	51,330	51,330	44,613
<b>Other Government grants</b>				
Local authority - special educational projects	-	434	434	442
Other local authority grants	-	1,121	1,121	1,099
Notional apprenticeship levy	-	83	83	47
	-	1,638	1,638	1,588
<b>Other income from educational operations</b>	118	486	604	701
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	693	693	-
Other DfE/ESFA COVID-19 funding	-	293	293	-
	-	986	986	-
<b>COVID-19 additional funding (non-DfE/ESFA)</b>				
Coronavirus Job Retention Scheme grant	-	41	41	-
	118	54,481	54,599	46,902
<i>Analysis of 2020 total by fund</i>	<i>135</i>	<i>46,767</i>	<i>46,902</i>	

Following the reclassification in the Academies Accounts Direction 2020 to 2021 of some grants received from the Department for Education and ESFA, this funding is now reported as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust received £693k of funding for COVID Catch-up premium, which relates to additional funding provided by the DfE to support children and young people to catch up on missed learning caused by coronavirus (COVID-19). Costs incurred in respect of this funding totalled £587k, with the remaining £106k to be spent in 2021/22.

COVID Premium has been utilised by schools across the Trust in supporting pupils to achieve their potential. Funds have been used across schools to target identified needs. Resources acquired include but aren't limited to: additional tutor hours; wellbeing workshops; online assessment packs; both additional physical and digital resources.

Other DfE Covid funding relates to COVID mass testing grants, provided by the DfE to support schools with the costs associated with the coronavirus National Testing Programme.



The Thinking Schools Academy Trust  
(A Company Limited by Guarantee)

Notes to the Financial Statements  
For the Year Ended 31 August 2021

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Bank interest	2	2	23
<i>Analysis of 2020 total by fund</i>	23	23	

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Expenditure on fundraising trading activities:					
Direct costs	510	21	118	649	555
Educational operations:					
Direct costs	36,476	2,243	3,966	42,685	38,201
Allocated support costs	9,908	3,810	3,974	17,692	14,255
Teaching school	109	-	46	155	53
	47,003	6,074	8,104	61,181	53,064
<i>Analysis of 2020 total</i>	41,023	5,097	6,944	53,064	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Educational operations	182	60,195	60,377	52,456
<i>Analysis of 2020 total by fund</i>	289	52,167	52,456	

**The Thinking Schools Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**9. Analysis of expenditure by activities**

	<b>Direct costs</b>	<b>Support costs</b>	<b>Total</b>	<i>Total</i>
	<b>2021</b>	<b>2021</b>	<b>funds</b>	<i>funds</i>
	<b>£000</b>	<b>£000</b>	<b>2021</b>	<i>2020</i>
			<b>£000</b>	<i>£000</i>
Educational operations	42,685	17,692	60,377	52,456
<i>Analysis of 2020 total</i>	<i>38,201</i>	<i>14,255</i>	<i>52,456</i>	

**Analysis of support costs**

	<b>Total</b>	<i>Total</i>
	<b>funds</b>	<i>funds</i>
	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Staff costs	9,908	7,551
Premises costs	3,810	3,027
Technology costs	1,044	975
Legal costs - conversion	9	-
Legal costs - other	47	33
Other support costs	2,830	2,623
Governance costs	44	46
	<u>17,692</u>	<u>14,255</u>

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Operating lease rentals	177	135
Depreciation of tangible fixed assets	3,412	2,769
Amortisation of intangible assets	1	-
Loss on disposal of fixed assets	4	-
Fees paid to auditors for:		
- audit	38	38
- other services	5	10
	<u>3,637</u>	<u>2,952</u>

**The Thinking Schools Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>Group</b>	<i>Group</i>	<b>Academy</b>	<i>Academy Trust</i>
	<b>2021</b>	<i>2020</i>	<b>Trust</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Wages and salaries	32,664	29,072	32,215	28,632
Social security costs	3,255	2,828	3,215	2,793
Pension costs	10,538	8,482	10,517	8,464
	<u>46,457</u>	<u>40,382</u>	<u>45,947</u>	<u>39,889</u>
Agency staff costs	400	571	400	571
Staff restructuring costs	146	70	146	70
	<u>47,003</u>	<u>41,023</u>	<u>46,493</u>	<u>40,530</u>

Staff restructuring costs comprise:

Severance payments	146	70	146	70
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**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £58k (2020: £24k). Individually, the payments were: £20k; £15k; £10k. £5k; £5k; £3k.

**c. Staff numbers**

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

	<b>Group</b>	<i>Group</i>	<b>Academy</b>	<i>Academy Trust</i>
	<b>2021</b>	<i>2020</i>	<b>Trust</b>	<i>2020</i>
	<b>No.</b>	<i>No.</i>	<b>No.</b>	<i>No.</i>
Teachers	539	500	539	500
Administrative and support	695	699	672	677
Management	23	22	21	20
	<u>1,257</u>	<u>1,221</u>	<u>1,232</u>	<u>1,197</u>

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**11. Staff (continued)**

**c. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	<b>Group 2021 No.</b>	<i>Group 2020 No.</i>	<b>Academy Trust 2021 No.</b>	<i>Academy Trust 2020 No.</i>
Teachers	499	458	499	458
Administrative and support	477	434	459	416
Management	23	22	21	20
	<u>999</u>	<u>914</u>	<u>979</u>	<u>894</u>

**d. Higher paid staff**

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

	<b>Group 2021 No.</b>	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	18	17
In the band £70,001 - £80,000	9	5
In the band £80,001 - £90,000	4	1
In the band £90,001 - £100,000	2	2
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	2	1
In the band £140,001 - £150,000	1	1
	<u>1</u>	<u>1</u>

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,004k (2020 - £925k).

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**12. Central services**

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

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

This recharge was 1.9% for all schools in 2020/21 and covers the following services:

**Core Strategic and Educational Support:**

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

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

**Financial Services:**

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

**Personnel Services:**

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

**Technology Services:**

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

**Facilities Services:**

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

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**The Thinking Schools Academy Trust**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**12. Central services (continued)**

Within the Trust all schools contribute toward core Trust costs and in 20/21 this equated to £855k made up from the following contributions:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
All Faith's Children's Academy (AFS)	19	<i>19</i>
Cedar Children's Academy (CDR)	42	<i>39</i>
Gordon Children's Academy (GOR)	38	<i>36</i>
Goodwin Academy (GWA)	83	<i>39</i>
Holcombe Grammar School (HGS)	89	<i>77</i>
New Horizons Primary School (NHP)	46	<i>34</i>
Meon Infant School (MIS)	14	<i>14</i>
Meon Junior School (MJS)	26	<i>25</i>
Moorings Way Infant School (MWI)	13	<i>11</i>
Newbridge Junior School (NBR)	42	<i>39</i>
New Horizons Children's Academy (NHO)	43	<i>43</i>
Penhale Infant School and Nursery (PHI)	17	<i>18</i>
Plymouth High School (PHS)	43	<i>-</i>
The Rochester Grammar School (RGS)	119	<i>110</i>
The Portsmouth Academy (TPA)	103	<i>90</i>
The Victory Academy (VIC)	118	<i>104</i>
<b>Total</b>	<b>855</b>	<i>698</i>

In addition to this, the Trust has established a pooled arrangement for staffing and procurement for finance, HR, premises management and IT and has agreed service level agreements with the schools to deliver these elements on their behalf. The additional central expenditure for these services is reflected in the central services figure per note 22.

**The Thinking Schools Academy Trust**  
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**13. Directors' remuneration and expenses**

The CEO has been paid remuneration and other benefits from his employment with the Academy Trust. He only receives remuneration in respect of services he provides undertaking his role of CEO under his contract of employment. The value of his remuneration and other benefits was as follows:

		<b>2021</b>	<i>2020</i>
		<b>£000</b>	<i>£000</i>
Mr. S. Gardner (CEO)	Remuneration	145 - 150	<i>145 - 150</i>
	Pension contributions paid	35 - 40	<i>30 - 35</i>
	Other benefits	5 - 10	<i>5 - 10</i>

During the year ended 31 August 2021, expenses totalling £1k were reimbursed or paid directly to 1 Director (*2020 - £1k to 1 Director*).

**14. Directors' and Officers' insurance**

The Group 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 Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme membership.

**15. Intangible assets**

**Group and Academy Trust**

	<b>Computer software</b>
	<b>£000</b>
<b>Cost</b>	
Additions	123
At 31 August 2021	<u>123</u>
<b>Amortisation</b>	
Charge for the year	1
At 31 August 2021	<u>1</u>
<b>Net book value</b>	
At 31 August 2021	<u><u>122</u></u>
<i>At 31 August 2020</i>	<u><u>-</u></u>

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Notes to the Financial Statements  
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16. Tangible fixed assets

Group

	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>					
At 1 September 2020	105,034	1,461	1,626	4,788	112,909
Additions	494	1,928	7	1,516	3,945
Acquired on conversion	5,525	-	-	-	5,525
Disposals	-	-	(5)	-	(5)
Transfers between classes	596	(882)	-	286	-
At 31 August 2021	111,649	2,507	1,628	6,590	122,374
<b>Depreciation</b>					
At 1 September 2020	8,069	-	1,296	3,422	12,787
Charge for the year	2,243	-	253	916	3,412
On disposals	-	-	(1)	-	(1)
At 31 August 2021	10,312	-	1,548	4,338	16,198
<b>Net book value</b>					
At 31 August 2021	101,337	2,507	80	2,252	106,176
At 31 August 2020	96,965	1,461	330	1,366	100,122

Academy Trust

	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>					
At 1 September 2020	105,034	1,461	1,600	4,788	112,883
Additions	494	1,928	7	1,516	3,945
Acquired on conversion	5,525	-	-	-	5,525
Disposals	-	-	(5)	-	(5)
Transfers between classes	596	(882)	-	286	-
At 31 August 2021	111,649	2,507	1,602	6,590	122,348



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Notes to the Financial Statements  
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16. Tangible fixed assets (continued)

Academy Trust (continued)

	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Total £000
<b>Depreciation</b>					
At 1 September 2020	8,069	-	1,287	3,422	12,778
Charge for the year	2,243	-	250	916	3,409
On disposals	-	-	(1)	-	(1)
At 31 August 2021	10,312	-	1,536	4,338	16,186
<b>Net book value</b>					
At 31 August 2021	101,337	2,507	66	2,252	106,162
At 31 August 2020	96,965	1,461	313	1,366	100,105

Included in land and buildings is leasehold land of £12.3m (2020 - £12m) which is not depreciated.

**The Thinking Schools Academy Trust**  
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**17. Fixed asset investments**

<b>Academy Trust</b>	<b>Investments in subsidiary companies £000</b>
<b>Cost or valuation</b>	
At 1 September 2020	25
At 31 August 2021	<u>25</u>
<b>Net book value</b>	
At 31 August 2021	<u>25</u>
At 31 August 2020	<u>25</u>

**Principal subsidiaries**

The following were subsidiary undertakings of the Academy Trust:

<b>Names</b>	<b>Company number</b>	<b>Registered office or principal place of business</b>	<b>Principal activity</b>
Thinking Solutions for Education Limited	11463368	Park Crescent, Chatham, ME4 6NR	Educational support services
Little Thinkers Pre-School & Nursery Limited	04671163	Wymering Road, North End, Portsmouth, Hampshire, PO2 7HX	Pre-primary education

<b>Class of shares</b>	<b>Holding</b>	<b>Included in consolidation</b>
Ordinary	100%	Yes
Limited by guarantee	100%	Yes

The financial results of the subsidiaries for the year were:

<b>Names</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Profit/(Loss)/ Surplus/ (Deficit) for the year £000</b>	<b>Net assets £000</b>
Thinking Solutions for Education Limited	575	(567)	8	85
Little Thinkers Pre-School & Nursery Limited	369	(349)	20	79

**The Thinking Schools Academy Trust**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**18. Debtors**

	<b>Group</b>	<i>Group</i>	<b>Academy</b>	<i>Academy Trust</i>
	<b>2021</b>	<i>2020</i>	<b>Trust</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
<b>Due after more than one year</b>				
Other debtors	-	-	15	23
<b>Due within one year</b>				
Trade debtors	262	146	233	117
Other debtors	574	353	579	356
Prepayments and accrued income	1,896	1,706	1,896	1,705
	<u>2,732</u>	<u>2,205</u>	<u>2,723</u>	<u>2,201</u>

**19. Creditors: Amounts falling due within one year**

	<b>Group</b>	<i>Group</i>	<b>Academy</b>	<i>Academy Trust</i>
	<b>2021</b>	<i>2020</i>	<b>Trust</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Other loans	-	158	-	158
Trade creditors	1,637	1,731	1,658	1,722
Other taxation and social security	817	651	800	637
Other creditors	1,157	1,201	1,157	1,200
Accruals and deferred income	1,339	1,570	1,325	1,559
	<u>4,950</u>	<u>5,311</u>	<u>4,940</u>	<u>5,276</u>

Accruals at 31 August 2021 include £148k in respect of the estimated back pay which may be due for term time only workers' annual leave (see also contingent liability note 31 for further details and an explanation of the uncertainty around this).

	<b>Group</b>	<i>Group</i>	<b>Academy</b>	<i>Academy Trust</i>
	<b>2021</b>	<i>2020</i>	<b>Trust</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Deferred income at 1 September 2020	778	710	778	710
Resources deferred during the year	580	778	580	778
Amounts released from previous periods	(778)	(710)	(778)	(710)
	<u>580</u>	<u>778</u>	<u>580</u>	<u>778</u>

The deferred income above relates to income received for trips to take place in the 2021/22 academic year of £17k (2020 - £42k), grant income received in advance of £491k (2020 - £724k) and other income received in advance of £72k (2020 - £12k).

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**Notes to the Financial Statements**  
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**20. Creditors: Amounts falling due after more than one year**

	<b>Group</b>	<i>Group</i>	<b>Academy</b>	<i>Academy Trust</i>
	<b>2021</b>	<i>2020</i>	<b>Trust</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Other loans	1,000	<i>1,000</i>	1,000	<i>1,000</i>

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

**21. Deferred taxation**

**Group**

	<b>2021</b>
	<b>£000</b>
At the beginning and end of the year	4

The deferred tax liability is made up as follows:

	<b>Group</b>	<i>Group</i>
	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Accelerated capital allowances	(4)	<i>(4)</i>

**The Thinking Schools Academy Trust**  
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**Notes to the Financial Statements**  
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**22. Statement of funds**

	<b>Balance at 1 September 2020 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Transfers in/out £000</b>	<b>Gains/ (Losses) £000</b>	<b>Balance at 31 August 2021 £000</b>
<b>Unrestricted funds</b>						
General fund	1,181	636	(182)	105	-	1,740
Subsidiaries	110	835	(649)	(158)	-	138
	<u>1,291</u>	<u>1,471</u>	<u>(831)</u>	<u>(53)</u>	<u>-</u>	<u>1,878</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	(759)	44,917	(44,095)	192	-	255
Other DfE/ESFA grants	72	6,547	(5,890)	(616)	-	113
Other government grants	3	1,638	(1,095)	(183)	-	363
Other restricted	242	1,218	(755)	(559)	-	146
Catch-up premium	-	693	(587)	-	-	106
Other DfE/ESFA COVID-19 funding	-	293	(293)	-	-	-
Coronavirus Job Retention Scheme grant	-	41	(41)	-	-	-
Pension reserve	(26,157)	(1,936)	(3,617)	-	(2,664)	(34,374)
	<u>(26,599)</u>	<u>53,411</u>	<u>(56,373)</u>	<u>(1,166)</u>	<u>(2,664)</u>	<u>(33,391)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	100,105	6,091	(3,409)	3,497	-	106,284
Capital funds	2,090	4,657	(568)	(2,278)	-	3,901
	<u>102,195</u>	<u>10,748</u>	<u>(3,977)</u>	<u>1,219</u>	<u>-</u>	<u>110,185</u>
<b>Total Restricted funds</b>	<u>75,596</u>	<u>64,159</u>	<u>(60,350)</u>	<u>53</u>	<u>(2,664)</u>	<u>76,794</u>
<b>Total funds</b>	<u><u>76,887</u></u>	<u><u>65,630</u></u>	<u><u>(61,181)</u></u>	<u><u>-</u></u>	<u><u>(2,664)</u></u>	<u><u>78,672</u></u>

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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**22. Statement of funds (continued)**

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

General Annual Grant (GAG) must be used for the normal running costs of the academies. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

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

The other government grants fund is used to track grants provided by government departments and includes funding from Local Authorities.

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

Covid catch-up premium relates to additional funding provided by the DfE to support children and young people to catch up on missed learning caused by coronavirus (Covid-19). This has been spent in a variety of ways, as outlined in note 5.

Other Covid funding relates primarily to Covid mass testing grants, provided by the DfE to support schools with the costs associated with the coronavirus National Testing Programme.

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

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The net transfer to the restricted fixed asset fund of £1.2m represents the total capital expenditure from other non-capital funds. The balance of £3.9m on the capital fund at the end of the year represents unspent capital income.

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**22. Statement of funds (continued)**

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

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

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**Notes to the Financial Statements**  
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**22. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2021 were allocated as follows:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
RGS	297	59
AFS/GOR/CDR	725	516
TPA	375	129
HGS/VIC/NHO	1,091	667
NHOP (IBJ/MER)	222	209
PHI/NBR	617	522
MIS/MJS/MWI	146	140
PHS	219	-
GWA	(1,736)	(1,757)
Central services	767	254
Subsidiaries	138	110
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,861	849
Restricted fixed asset fund	110,185	102,195
Pension reserve	(34,374)	(26,157)
	<hr/>	<hr/>
<b>Total</b>	<b>78,672</b>	<b>76,887</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>Deficit</b>
	<b>£000</b>
Goodwin Academy	(1,736)
	<hr/> <hr/>

This deficit of £1.736 million includes £1 million inherited and transferred into the Academy Trust when Goodwin Academy joined on 1 September 2018. Original deficit recovery plans took account of an expected further deficit in 18/19 as the cost saving measures were being implemented and pupil numbers began to increase. Unfortunately, pupil number growth has been less than expected and the anticipated increase in deficit over the previous two years has been higher as a result.

Goodwin has achieved a surplus for 20/21 and a surplus budget has been set in 21/22 that will again reduce the deficit. Further action is being taken to reassess what additional savings can be made to maximise the surplus at the end of the year.



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Notes to the Financial Statements  
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22. Statement of funds (continued)

Total cost analysis by group entity

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
RGS	4,530	278	250	179	5,237	5,495
AFS/GOR/CDR	4,504	393	262	316	5,475	5,372
TPA	4,165	359	373	373	5,270	4,260
HGS/VIC/NHO	9,353	842	605	623	11,423	10,595
NHOP (IBJ/MER)	2,087	226	162	173	2,648	2,601
PHI/NBR	2,540	226	192	177	3,135	3,139
MIS/MJS/MWI	2,307	210	134	192	2,843	2,754
PHS	1,745	353	151	282	2,531	-
GWA	3,636	274	279	176	4,365	4,220
Central services	1,609	6,898	391	5,297	14,195	11,309
Subsidiaries	-	-	-	649	649	555
<b>Academy Trust</b>	<b>36,476</b>	<b>10,059</b>	<b>2,799</b>	<b>8,437</b>	<b>57,771</b>	<b>50,300</b>

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

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	14	-	106,162	106,176
Intangible fixed assets	-	-	122	122
Current assets	1,878	6,923	3,901	12,702
Creditors due within one year	(10)	(4,940)	-	(4,950)
Creditors due in more than one year	-	(1,000)	-	(1,000)
Provisions for liabilities and charges	(4)	(34,374)	-	(34,378)
<b>Total</b>	<b>1,878</b>	<b>(33,391)</b>	<b>110,185</b>	<b>78,672</b>

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**23. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

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

**24. Reconciliation of net income to net cash flow from operating activities**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Net income for the year (as per Statement of Financial Activities)	4,449	3,773
<b>Adjustments for:</b>		
Amortisation	1	-
Depreciation	3,412	2,769
Profit on disposal of tangible fixed assets	(1)	-
Capital grants from DfE and other capital income	(4,632)	(3,025)
Interest receivable	(2)	(23)
Defined benefit pension scheme obligation inherited	1,936	-
Defined benefit pension scheme cost less contributions payable	3,190	2,038
Defined benefit pension scheme finance cost	427	354
(Increase)/decrease in debtors	(553)	76
(Decrease)/increase in creditors	(177)	1,104
Donated fixed assets	(566)	(5,350)
Fixed assets transferred in on conversion	(5,525)	-
<b>Net cash provided by operating activities</b>	<b>1,959</b>	<b>1,716</b>

**25. Cash flows from financing activities**

	<b>Group</b>	<i>Group</i>
	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Repayments of borrowing	(158)	(316)

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**26. Cash flows from investing activities**

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>
Dividends, interest and rents from investments	2	23
Purchase of intangible assets	(123)	-
Purchase of tangible fixed assets	(3,379)	(2,214)
Proceeds from the sale of tangible fixed assets	5	-
Capital grants from DfE Group	4,507	3,025
Capital funding received from sponsors and others	125	-
<b>Net cash provided by investing activities</b>	<b>1,137</b>	<b>834</b>

**27. Analysis of cash and cash equivalents**

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>
Cash in hand and at bank	9,970	7,032

**28. Analysis of changes in net debt**

	<b>At 1 September 2020 £000</b>	<b>Cash flows £000</b>	<b>At 31 August 2021 £000</b>
Cash at bank and in hand	7,032	2,938	9,970
Debt due within 1 year	(158)	158	-
Debt due after 1 year	(1,000)	-	(1,000)
	<b>5,874</b>	<b>3,096</b>	<b>8,970</b>

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**29. Conversion to an academy trust**

On 1 February 2021 Plymouth High School for Girls converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Thinking Schools Academy Trust from Plymouth City Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Consolidated Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Consolidated Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Consolidated Statement of Financial Activities.

	<b>Restricted funds £000</b>	<b>Restricted fixed asset funds £000</b>	<b>Total funds £000</b>
<b>Tangible fixed assets</b>			
Leasehold land and buildings	-	5,525	5,525
<b>Current assets</b>			
Cash - representing budget surplus on LA funds	568	25	593
<b>Non-current liabilities</b>			
LGPS pension liability	(1,936)	-	(1,936)
<b>Net (liabilities)/assets</b>	<u>(1,368)</u>	<u>5,550</u>	<u>4,182</u>

**30. Net movement in funds of parent company**

As permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP, the Statement of Financial Activities of the parent company, The Thinking Schools Academy Trust, is not presented as part of these accounts. The parent company's net movement in all funds for the financial year was an increase of £1,757k (2020 - decrease of £1k).

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

The parent company's revenue income funds increased by £1,416k during 2020/21 once the impact of transferred in revenue balances is stripped out, which compares to an increase of £671k in the prior year.

As explained in the financial review section of the trustees' report and shown on the Statement of Financial Activities, total group funds increased during the year by £1,785k (2020 - decreased by £27k).

**Notes to the Financial Statements**  
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**31. Contingent liabilities**

The Trust has exposure to three separate contingent liabilities:

- 1) The Trust recognises a contingent liability of £206k to Teachers Pensions relating to ex-teaching staff at Victory Academy who took premature retirement in 2015, prior to the academy joining the Trust. A portion of the liability crystallises each year that pension payments are needed for the ex-staff members
- 2) A further contingent liability exists in respect of the deficit inherited when Goodwin Academy joined the Trust on 1 September 2018. Officially the Trust took on £2.6m of liabilities in respect of the full amount of the ESFA recoverable funding debt attributed to Goodwin Academy whilst it was managed by the trust it was rebrokered from. However an arrangement was entered into with the ESFA to limit the Trust's exposure to £1m, subject to certain conditions. Since the Directors were fully confident that the conditions will be met only the £1m deficit was therefore reflected in the 2018/19 financial statements.

The Trustees remain fully confident that the conditions will be met and so the 2020/21 financial statements continue to only reflect the £1m maximum amount which the Directors believe the Trust is exposed to. If, however, for any reason, these conditions are not met then the Trust would be responsible for the full liabilities of £2.6m.

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

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

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

An accrual for estimated back pay has been included in note 19, Creditors: amounts falling due within one year

**Notes to the Financial Statements**  
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**32. Pension commitments**

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

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

Contributions amounting to £835,000 were payable to the schemes at 31 August 2021 (2020 - £678,000) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £4,842,000 (2020 - £4,245,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £2,686,000 (2020 - £2,359,000), of which employer's contributions totalled £2,056,000 (2020 - £1,835,000) and employees' contributions totalled £630,000 (2020 - £524,000). The agreed contribution rates for future years have been set until March 2023.

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

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**32. Pension commitments (continued)**

**Principal actuarial assumptions**

Kent County Council

	<b>2021</b>	<i>2020</i>
	%	%
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60

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

	<b>2021</b>	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	21.9	21.8
Females	23.8	23.8
<i>Retiring in 20 years</i>		
Males	23.3	23.2
Females	25.3	25.2

Hampshire County Council

	<b>2021</b>	<i>2020</i>
	%	%
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70

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

	<b>2021</b>	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.5	25.5
<i>Retiring in 20 years</i>		
Males	24.8	24.7
Females	27.3	27.2

Devon County Council

	<b>2021</b>	<i>2020</i>
	%	%
Rate of increase in salaries	3.90	-
Rate of increase for pensions in payment/inflation	2.90	-
Discount rate for scheme liabilities	1.65	-

Notes to the Financial Statements  
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32. Pension commitments (continued)

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

	<b>2021</b>	<i>2020</i>
	<b>Years</b>	<i>Years</i>
<i>Retiring today</i>		
Males	22.7	-
Females	24.0	-
<i>Retiring in 20 years</i>		
Males	24.0	-
Females	25.4	-

**Sensitivity analysis**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Discount rate +0.1%	(1,227)	<i>(1,367)</i>
Discount rate -0.1%	1,261	<i>1,410</i>
Mortality assumption - 1 year increase	1,946	<i>1,983</i>
Mortality assumption - 1 year decrease	(1,872)	<i>(1,952)</i>
CPI rate +0.1%	1,125	<i>1,237</i>
CPI rate -0.1%	(1,096)	<i>(1,216)</i>



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**32. Pension commitments (continued)**

**Share of scheme assets**

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

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Equities	22,834	<i>17,523</i>
Gilts	2,589	<i>2,031</i>
Corporate bonds	3,140	<i>2,382</i>
Property	3,192	<i>2,617</i>
Cash and other liquid assets	738	<i>719</i>
Other	3,994	<i>3,006</i>
<b>Total market value of assets</b>	<b>36,487</b>	<i>28,278</i>

The actual return on scheme assets was £4,781,000 (2020 - £1,591,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Current service cost	(5,232)	<i>(3,864)</i>
Interest income	491	<i>481</i>
Interest cost	(918)	<i>(835)</i>
Administrative expenses	(14)	<i>(9)</i>
Transfer on conversion	(1,936)	<i>-</i>
<b>Total amount recognised in the Consolidated Statement of Financial Activities</b>	<b>(7,609)</b>	<i>(4,227)</i>

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

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
<b>At 1 September</b>	<b>54,435</b>	<i>44,829</i>
Conversion of academy trusts	3,283	<i>-</i>
Current service cost	5,232	<i>3,864</i>
Interest cost	918	<i>835</i>
Employee contributions	630	<i>524</i>
Actuarial losses	6,954	<i>4,999</i>
Benefits paid	(591)	<i>(616)</i>
<b>At 31 August</b>	<b>70,861</b>	<i>54,435</i>

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**32. Pension commitments (continued)**

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

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
<b>At 1 September</b>	28,278	24,864
Conversion of academy trusts	1,347	-
Interest income	491	481
Actuarial gains	4,290	1,199
Employer contributions	2,056	1,835
Employee contributions	630	524
Benefits paid	(591)	(616)
Administrative expenses	(14)	(9)
<b>At 31 August</b>	<u>36,487</u>	<u>28,278</u>

**33. Operating lease commitments**

At 31 August 2021 the Group and the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b>	<i>Group</i>	<b>Academy</b>	<i>Academy Trust</i>
	<b>2021</b>	<i>2020</i>	<b>Trust</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Not later than 1 year	180	143	180	143
Later than 1 year and not later than 5 years	231	177	231	177
	<u>411</u>	<u>320</u>	<u>411</u>	<u>320</u>

**34. Members' liability**

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

**Notes to the Financial Statements**  
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**35. Related party transactions**

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

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

**Expenditure Related Party Transactions**

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

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

**Income Related Party Transactions**

The Rochester Grammar School Association registered charity number 803801, donated £Nil (2020 - £Nil) to the trust during the year.

During the year the trust provided staff support services to Thinking Solutions for Education Limited, a subsidiary undertaking of the trust, at a charge of £236k (2020 - £172k). Thinking Solutions for Education Limited also made gift aid donations of £53k (2020 - £17k) to the trust during the year. At 31 August 2021, Thinking Solutions for Education Limited owed the trust £20k (2020 - £28k). This loan is due for repayment in equal instalments over the next 5 years and is shown in debtors and debtors greater than one year, interest is paid annually to the trust at a rate of 6% above the the Bank of England base rate.

During the year, Little Thinkers Pre-School & Nursery Limited, a subsidiary undertaking of The Thinking Schools Academy Trust, paid the trust £19k (2020 - £19k) in rent and service charges. Little Thinkers Pre-School & Nursery Limited also made gift aid donations of £Nil (2020 - £23k) to the trust during the year.

**36. Agency arrangements**

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. During the year ended 31 August 2021 the trust received £76k (2020 - £64k) and disbursed £38k (2020 - £41k) from the fund. An amount of £115k (2020 - £81k) is included in other creditors relating to undistributed funds.

**37. Controlling party**

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

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**38. Teaching school trading account**

	<b>2021</b>	<b>2021</b>	<i>2020</i>	<i>2020</i>
	<b>£000</b>	<b>£000</b>	<i>£000</i>	<i>£000</i>
<b>Income</b>				
<b>Direct income</b>				
Core funding	40		40	
Teacher Subject Specialism Training	5		5	
Schools Direct Salaried	129		68	
Grant funding paid over to other schools	(40)		(40)	
<b>Total direct income</b>	<u>134</u>		<u>73</u>	
<b>Other income</b>				
Fundraising and other trading activities	4		15	
<b>Total income</b>		138		88
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	109		29	
Staff development	26		16	
Other	20		1	
<b>Total direct expenditure</b>	<u>155</u>		<u>46</u>	
<b>Other expenditure</b>				
Other support costs	-		6	
Governance costs	-		1	
<b>Total other expenditure</b>	<u>-</u>		<u>7</u>	
<b>Total expenditure</b>		155		53
<b>(Deficit)/surplus from all sources</b>		<u>(17)</u>		<u>35</u>
<b>Teaching school balances at 1 September 2020</b>		72		37
<b>Teaching school balances at 31 August 2021</b>		<u><u>55</u></u>		<u><u>72</u></u>