

Company Registration Number: 07542155 (England & Wales)

The Tenax Schools Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2020



The Tenax Schools Trust
(A Company Limited by Guarantee)

Contents

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 16
Governance Statement	17 - 21
Statement on Regularity, Propriety and Compliance	22
Statement of Trustees' Responsibilities	23
Independent Auditors' Report on the Financial Statements	24 - 27
Independent Reporting Accountant's Report on Regularity	28 - 29
Statement of Financial Activities Incorporating Income and Expenditure Account	30 - 31
Balance Sheet	32
Statement of Cash Flows	33
Notes to the Financial Statements	34 - 68

The Tenax Schools Trust
(A Company Limited by Guarantee)

Reference and Administrative Details

Members

Lady (Jacqueline) Evans
Lord Bishop of Rochester (currently The Right Reverend James Langstaff)
Archdeacon of Tonbridge (currently The Venerable Julie Conalty)
Area Dean of Tunbridge Wells (currently Reverend Douglas Wren)
The Chichester Diocesan Board of Education (currently represented by Reverend Dr Edward Dowler, Archdeacon of Hastings)

Trustees

Mr Ian Bauckham CBE, CEO
Mr Matthew Bedford^{1,4}
Lady (Jacqueline) Evans, Chair^{2,4,5}
Mr Trevor Cristin⁵
Mr Simon Curtis⁵
Mr David Godfrey^{1,3}
Mrs Gillian Lloyd (Hargreaves) (appointed 28 November 2019)
Mr David Ralph, Vice-Chair JP^{1,3,4}
Ms Cherie Sargent^{4,5}
Mr James Shaw Hamilton³

- ¹ Member of Finance & Audit Committee
- ² Member of Finance & Audit Committee (Audit only)
- ³ Members of SCITT Governance Committee
- ⁴ Members of Pay & HR Committee
- ⁵ Member of Education Committee

Company registered number

07542155

Company name

The Tenax Schools Trust

Principal and registered office

Bennett Memorial Diocesan School, Culverden Down, Tunbridge Wells, Kent, TN4 9SH

Company secretary

Mrs Catherine Dottridge

Chief executive officer

Mr Ian Bauckham CBE

The Tenax Schools Trust
(A Company Limited by Guarantee)

Reference and Administrative Details (continued)
For the year ended 31 August 2020

Executive group

Mr Ian Bauckham, Chief Executive Officer/Accounting Officer
Mrs Catherine Dottridge, Chief Financial Officer
Mrs Rachel Green, Primary Lead Headteacher
Mr Jon Sparke, Secondary Headteacher

External auditor

Kreston Reeves LLP, Statutory Auditor, Chartered Accountants, 37 St Margaret's Street, Canterbury, Kent, CT1 2TU

Internal auditor

Mrs Gail Payne, ACCA

Solicitors

Lee Bolton Monier Williams, 1 The Sanctuary, Westminster, London, SW1P 3JT

Stone King LLP, 91 Charterhouse Street, London, EC1M 6HR

Bankers

Lloyds Bank plc, 82 Mount Pleasant Road, Tunbridge Wells, TN1 1RP

Website

tenaxschoolstrust.co.uk

Headteachers

Mr Christopher Blackburn (Fordcombe CE Primary School)
Mr Matthew Clark (West Malling CE Primary School); Co-Head with Mr David Rye from 1st September 2020
Mrs Tina Holditch (Leybourne Ss Peter and Paul CE Primary School)
Mrs Jane Mallon (Head of School, Brenchley & Matfield CE Primary School)
Mr Jon Sparke (Bennett Memorial Diocesan Secondary School)
Mrs Sacha Strand (Sir Henry Fermor CE Primary School)
Mrs Donna Weeks (Bishop Chavasse CE Primary School)
Mrs Jacqueline Zadeh (Jarvis Brook Primary School)

The Tenax Schools Trust
(A Company Limited by Guarantee)

Trustees' Report
For the year ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Tenax Schools Trust is a Church of England Multi Academy Trust that exists to provide outstanding education in both primary and secondary schools in Kent and East Sussex. The Trust had a combined number of pupils of roll of 3,150 as at census date October 2020.

School Name	No. on roll Census Oct 2020	
Bennett Memorial Diocesan Secondary School	1,745	Founding School - 1 September 2015
Bishop Chavassee CE Primary School	217	New Free School - opened 1 September 2017
Brenchley & Matfield CE Primary School	179	Converted 1 May 2016
Fordcombe CE Primary School	93	Converted 1 October 2018
Jarvis Brook Primary School	138*	Converted 1 March 2017
Leybourne Ss Peter and Paul CE Primary School	212	Converted 1 March 2017
Sir Henry Fermor CE Primary School	372	Converted 1 April 2016
West Malling CE Primary School	194	Joined 1 September 2017

*Plus a further 13 pupils in the pre-school

The Trust also includes:

- The Altius Teaching School Alliance, for which Bennett Memorial Diocesan is the designated Teaching School
- The Teach Kent & Sussex SCITT (School Centred Initial Teacher Training)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Articles of Association is the primary governing document of the Academy Trust.

The Trustees of The Tenax Schools Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Tenax Schools Trust.

Details of the Trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative details on page 1.

Members' liability

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while 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.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association and its Governance Plan. The Members of the Tenax Schools Trust have appointed 10 Trustees. The Members and Trustees look for the most appropriate candidates bringing relevant identified skill sets when appointing new Trustees.

Policies adopted for the induction and training of Trustees

New Trustees receive an induction and all Trustees partake in an annual programme of training and development. The Trustees have access to policies, procedures, minutes, budgets, accounts and other relevant plans and documents that they need to fulfil their role as Trustees.

Organisational structure

Our governance structure and arrangements, including roles and responsibilities, are set out in our Governance Plan. The Board of Trustees is accountable for all aspects of the Trust's work and monitors the performance of the schools through full Board of Trustees meetings held at least six times per year.

There are three main committees of the Board of Trustees for monitoring the performance of the Trust:

The Finance and Audit Committee (established as The Finance, Audit and Risk Committee from 1st September 2020 in line with the Academies Financial Handbook September 2020 new requirement that trusts must have an Audit and Risk Committee, which can be combined with another committee, such as Finance). The Finance, Audit and Risk Committee has the strategic oversight of all matters related to Audit, Risk, Finance & Capital Assets. The Committee seeks to: monitor internal scrutiny and the delivering of objectives, provide independent assurance over the suitability and compliance of financial systems and operational controls, and ensure that the Trust is operating within the Funding Agreement and in line with the Academies Financial Handbook. The Committee enables more detailed consideration for ensuring sound management of finances and capital assets, including proper planning, monitoring and probity.

The Education Committee acts as a scrutiny committee to assist the Board in discharging its standards related accountabilities. The role of this Committee is to ensure annual school improvement plans contain appropriately challenging targets on achievement and attendance for each school, to test the reliability and validity of monitoring information on end of Key Stage pupil performance. Where necessary to prevent underperformance it challenges headteachers, via the CEO, to propose and implement interventions and improvements, or challenges local governing bodies to discharge their responsibilities on standards more effectively.

The SCITT Governance Committee ensures accountability for the SCITT's leadership against its strategic objectives. It agrees and monitors the SCITT's annual development plan, holds the SCITT to account for meeting its recruitment, retention and successful employment rates and ensures that the leadership of the SCITT across its participating schools is fully fit for purpose in ensuring high quality training, mentoring and effective assessment of all trainees.

In addition, there is a Pay and HR Committee and further committees for specific purposes. Each Committee has a Terms of Reference, including details of delegation where applicable, and which is reviewed annually by the Board of Trustees.

Each school in the Trust has a local governing body (LGB) which is accountable to the Board of Trustees. This will comprise in each case: The headteacher (ex officio), one further elected staff local governor (term: 3 years), two elected parent governors (term: 3 years); five or more governors appointed by the Board of Trustees (who may include trustees or employees from other schools in the Trust selected on the basis of their skills or professional experience), each for a term of 3 years. The Board of Trustees may agree to co opt one or more further local governors to address skills gaps, providing that governors appointed by the Board of Trustees continue to hold a majority of at least one on the LGB. The chair of each LGB is appointed by the Board of Trustees.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The Trustees have delegated the day to day management of the Trust to the Chief Executive Officer (CEO) who is supported by the Executive group, as detailed in the Reference and Administrative details on page 2. The CEO is, with the headteacher of the individual school, responsible for the overall leadership and management of the school. Each school has a leadership management team who are responsible for operational matters relating to curriculum, teaching, learning, student attainment, achievement, broader development, welfare, recruitment and finance.

The CEO is the Accounting Officer for the Trust.

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees annually review and agree a Pay Policy for the Trust with regards to setting key management personnel pay. All arrangements for setting pay and remuneration are overseen by the Trust's Pay & HR Committee with pay decisions determined on the basis of evidence supporting performance outcomes.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publications Requirements) Regulations 2017, where an Academy Trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations.

It should be noted that the information to be disclosed covers the period 1 April 2019 to 31 March 2020 and is not in-line with the academic year.

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	1

Percentage of pay bill spent on facility time

Total cost of facility time	54,740
Total pay bill	11,702,626
Percentage of total pay bill spent on facility time	0.47%

Paid trade union activities

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

The Tenax Schools Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related parties and other connected charities and organisations

There are no related parties which either control or significantly influence the decisions and operations of the trust, and this has not been impacted by COVID-19.

Bennett Memorial Diocesan School is fortunate enough to have both parental, past students and Church support; historically this led to the setting up of a charitable trust; "The Bennett Memorial Diocesan School Charity" which enable gifts to be given tax effectively to the charity; enabling the trustees to make grants to the school or others as appropriate in support of the school in the widest possible sense. The Charity is run by independent trustees (headteacher, 1 nominated by the School Leadership Team and 3 appointed by the existing trustees) who receive bids from the school to fund particular projects or works. The charity is registered with the Charity Commission for England & Wales, to whom it reports.

Trustees' indemnities

Trustees (Directors) benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

Trustees' Report (continued)
For the year ended 31 August 2020

OBJECTIVES AND ACTIVITIES

Objects and aims

The Trust's object is to provide outstanding education in both primary and secondary schools in Kent and East Sussex. It offers a broad and balanced curriculum with the aim of raising the education standards of its pupils with underpinning ethical and personal development principles and with particular emphasis on teaching about Christian values, beliefs and traditions. It aims to provide value for money for the funds expended; to comply with all appropriate statutory and curriculum requirements; and to conduct business in accordance with the highest standards of integrity, probity, and openness.

Objectives, strategies and activities

Key objectives and activities are identified in the annual strategic plan and are informed by the significant challenges and opportunities arising from national developments in education policy and funding. These include:

- Tenax is a Church of England Trust with Christian values and principles at its heart.
- Tenax serves children of all ages and is centred in Kent and East Sussex.
- We have a mission to serve the wider community and are open to all schools which share our values and aspirations. We seek to comprise a mix of free schools, converter and sponsored academies.
- We expect high academic achievement for all through an appropriately challenging knowledge based curriculum and expert evidence informed pedagogy. We emphasise character development through and beyond the taught curriculum. We aspire to continue a national reputation for excellence.
- As a Teaching School trust, Tenax has a commitment to the professional development of all staff; as a SCITT, it has a commitment to the formation of new teachers and leaders both for the Trust and the wider system.
- While our Church of England schools place particular emphasis on teaching children and young people about Christian values, beliefs and traditions, all of our schools subscribe to our underpinning educational, ethical and personal development principles.
- We value diversity and will preserve the distinctive local character of each school. We welcome pupils and families from all backgrounds and from all faiths and none.

Public benefit

The principal public benefit arising from the Trust's charitable activities is the educational outcomes in terms of results and personal and faith development for the students educated at the schools operated by the Academy Trust. Both principles of public benefit identified on the Charity Commission website have been met: the benefits are identifiable in terms of educational outcome, it is clear what they are (for example examination results), they are related to the aims, and there is no identifiable detriment.

On the second principle, the beneficiaries are appropriate to the aims, in that the beneficiaries are pupils living in the locality of the Trust's schools; access to the public benefit of education is not restricted by ability to pay for it, no fees are charged for core educational activities, and the Trust has a wide ranging grants and concessions programme to enable those in poverty to take part in supplementary activities. As a result, children in disadvantaged circumstances are able to benefit fully from the education the Trust offers. There are many practical examples of pupils from disadvantaged backgrounds who attended Trust schools and who have achieved excellent outcomes.

The Trustees have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission, including the guidance 'Public benefit: running a charity (PB2)'. in exercising their powers and duties.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 August 2020

OBJECTIVES AND ACTIVITIES (continued)

Employee involvement

Where appropriate the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant staff and trade unions. The Trust provides information to employees by way of written communications, staff meetings and briefings, and on specific matters directly by management and employees are encouraged to share ideas. During COVID-19 we have further developed our use of technologies for virtual interaction and to communicate electronically with colleagues.

Equal Opportunities

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

Disabled persons

All schools in the Trust have provision for disabled persons. The policy of the Trust is to promote the recruitment and retention of all students and employees with disabilities. Each school does this by having an Accessibility Plan, which includes adapting the physical environment, making support resources available and through training and development.

Trustees' Report (continued)
For the year ended 31 August 2020

STRATEGIC REPORT

Achievements and performance

Secondary

Outcomes overall were in line with or above targets and compared very favourably with national outcomes. From 23rd March 2020 schools closed, other than for limited categories of pupils, owing to the COVID-19 pandemic. All examinations were cancelled and grades were determined, ultimately, by teacher assessments. No Progress 8 figures were calculated. In a small number of cases Bennett's teacher assessments were moderated upwards. Because of decisions taken by Government, none were moderated downwards.

Primary

In primary schools the move over to remote training meant that more teachers were able to participate in the full suite of training in the teaching of knowledge rich and rigorously sequenced programmes in history and geography, a principal curriculum development project for the year. We have commissioned a full set of teaching resources in history and geography for KS2, and schools have committed to using in full. This represents a significant enhancement to the quality of the Trust's curricular provision.

No statutory assessments or phonics screenings were carried out due to COVID-19. However up to the closure of schools in March 2020 monitoring indicated that standards were strengthening in mathematics and English, particularly in phonics, where we worked with primary schools to ensure that phonics schemes were being followed with fidelity and that early reading texts were fully aligned.

Key performance indicators

The Board of Trustees have identified that the following are the key performance indicators for the Trust which are tracked and monitored through standard monitoring reports:

- School and SCITT performance and quality of education as judged by Ofsted
- Latest performance outcomes – in line or above national expectations
- School and SCITT improvement targets met or exceeded
- Pupil attendance figures
- Percentage of income received through General Annual Grant (GAG) spent on total staff costs – aim for 85%
- Pupil numbers (leading directly to ESFA funding level) – aim to reach full capacity
- Financial stability – aim for income to match expenditure each year with sufficient cash reserves

The Board of Trustees have been pleased that expectations for all key performance indicators listed above have been successfully met during the year.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 August 2020

STRATEGIC REPORT (continued)

Review of activities

During this year the Trust comprised eight schools. In addition an Academy Order has been received for another local primary school to join the Trust.

As reported in last year's Trustees' report, Jarvis Brook Primary School received an Ofsted inspection in October 2019 and was confirmed to be continuing as a Good school.

Bishop Chavasse Primary School was judged as Good in its Statutory Inspection of Anglican and Methodist Schools (SIAMS) in December 2019.

The SCITT finished its third operational year successfully. It operated within budget, and all newly qualified primary and secondary teachers secured jobs locally. 74 new trainees have begun their training in September 2020 which represents significant growth of this SCITT. The SCITT received an Outstanding judgement in its Ofsted inspection in November 2019.

This year senior leaders worked to develop a knowledge rich subject specific curriculum in foundation subjects in all primary schools across the Trust. This included specialist training for primary staff in delivering foundation subjects outside their own area of expertise, with training continuing by being delivered remotely during partial closure. The remote training meant that more teachers were able to participate in the full suite of training in the teaching of knowledge-rich and rigorously sequenced programmes in history and geography. We have commissioned a full set of teaching resources in history and geography for KS2. We are now planning to move further in the current year with KS2 curriculum development in other subjects.

The Trust and its Teaching School Alliance completed its leadership of a large DfE Strategic School Improvement project for improving primary mathematics in local schools.

The Trust, in collaboration with other schools and organisations, continues to be a licensee and strategic partner in the operation of two National Professional Qualifications: the National Professional Qualifications for Headship and Executive Leadership, respectively. Recruitment to these programmes continues to be strong.

Our CEO continues to be recognised as a respected leader of education, and this year continued to support the wider sector by advising the DfE on a number of areas, including Relationships and Sex Education (RSE), being a member of the DfE COVID recovery group, and leading the implementation of the reform of National Leaders of Education. He continues to serve on the Boards of Ofqual and NFER and this year was appointed as Chair of the Oak National Academy.

The Trust continues to promote robust and proper business and financial management and the CFO is now recognised as a respected leader in this field, and a member of the ESFA's Academies Finance and Assurance Working Group. The Trust's wider central support services have also been further strengthened including HR and project management and which are also at sector leading standards.

During COVID-19 the Trust's leadership was able to provide very close guidance to schools on managing the crisis, supported by frequent communication on all operational issues. The response from schools and headteachers has been that the Trust offered exceptional support in all areas including provision of remote education, communications with parents and other stakeholders, risk assessment and planning for partial and then full return. This has enabled our schools to remain at the forefront of developments and offer support to parents, communities and pupils. This has resulted in lower levels of loss of learning than had been anticipated with only modest levels of catch-up recovery needed. Trustees are pleased to report that well over 30,000 hours of remote provision were provided during partial closure and that all the schools stayed open to accommodate children of key workers. Training and professional development for all our staff, including SCITT trainees, continued virtually and with use of reputable online learning programmes. Trustees were kept updated through briefings at key points during the closure period.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 August 2020

STRATEGIC REPORT (continued)

Review of activities (continued)

The Board of Trustees continued to act in a way most likely to promote the success of the Trust, and in doing so, through its code of conduct, have due regard to:

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

Financial review

At 31 August 2020, total funds comprised £22,599,722 (2019: £10,178,977) consisting of unrestricted funds of £2,261,224 (2019: £1,976,304) and a restricted fund deficit of £4,996,206 (2019: £4,111,187).

At 31 August 2020 the total funds also included restricted fixed asset funds of £25,334,754 (2019: £12,313,860). The increase reflects the donation of land and buildings from ESFA at Bishop Chavassee CE Primary school and the new building from KCC at Bennett Memorial Diocesan school as part of expansion development (see note 4 on page 21)

The in-year surplus before actuarial losses on defined benefit pension scheme of £12,598,795 (2019: £578,414) includes Condition Improvement Funding for various capital projects and donated assets and will be partially reversed in future periods when the depreciation of the associated assets is charged to the Statement of Financial Activities.

The unrestricted funds and restricted fixed asset funds are held for future improvements and capital projects.

The deficit of £5,105,000 included in the restricted funds relates to the Trust's Local Government Pension Scheme fund liability. This deficit is not an immediate liability and so funds would not have to be made available to cover this balance at short notice. The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 27. The deficit can be met in the longer term from any combination of increased employer and employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy Trust, at the discretion of the Trustees.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 August 2020

Reserves policy

The Finance, Audit and Risk Committee considers the maintenance of a minimum working reserve in order to minimise any financial risks facing the Trust, such as delays between spending and receipt of grants or unexpected emergencies, and:

- Regularly reviews the level of reserves and the nature of income and expenditure streams and the need to match income with commitments
- Discloses the reserve funds for each school, with individual schools to normally spend these as determined by the school and CFO
- Allows a surplus balance brought forward into the Trust by a joining school to be normally deployed at discretion of the school in agreement with the CFO
- Ensures schools are maintaining balanced 3 year budgets where in year income matches expenditure
- Maintains the appropriate level of free reserves at Trust level currently approved by Trustees to be between 2 - 5% of annual revenue income (to be reviewed and agreed annually)
- Considers the set aside of funds for significant projects that cannot be met by future income alone
- Allows sinking funds for specific regeneration projects, for example the allweather pitch, to fall outside of the general reserves balance and agree these annually by the Finance, Audit and Risk Committee with level of contributions derived from associated trading profits.

The Board of Trustees have reviewed the Trust's reserves policy in light of COVID-19 and will continue to keep it under review especially as to whether there should be a change to the level of funds set aside for future commitments.

STRATEGIC REPORT (continued)

Going concern

After making appropriate enquiries, and despite some financial uncertainties facing school trusts arising from COVID-19 outbreak, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue 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 accounting policies.

Investment policy

The Finance, Audit and Risk Committee considers the management of the Trust's funds bearing in mind the responsibilities that come with the receipt of central government funding and:

- Regularly monitors cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments
- Maintains a working balance to respond to unexpected financial demands
- Ensures schools' accounts are not overdrawn
- Keeps the automatic transfer facility for current accounts in operation to maximise interest in deposit accounts bearing higher interest rate
- Reviews periodically interest rates and compares with other investment opportunities

The Board of Trustees does not believe there are any implications for any existing or potential investments the academy trust holds from COVID-19.

Trustees' Report (continued)
For the year ended 31 August 2020

STRATEGIC REPORT (continued)

Principal risks and uncertainties

The Trust practices through the Board of Trustees and the constituted sub-committees, robust risk management principles. It formally reviews its risk management regularly and considers whether risks are appropriately assessed and whether the control measures and mitigation strategies are proportionate and implemented to the gravity of the risk. Risks are assessed, graded and prioritised in terms of their likelihood and their seriousness, should they occur.

The Board has a risk register which is presented and considered regularly at meetings of the Board of Trustees. Key risks and associated controls in place are set out below:

Recruitment and Retention of key staff: Trust fails to keep/attract staff in critical roles needed to meet our objectives/strategy. Mitigated by identification/mapping of key roles and critical individuals, for which emergency coverage and succession plan in place.

Failure to comply with statutory safeguarding requirements. Mitigated by controls in place including – defined roles and responsibilities for named safeguarding governor and Trustee; Designated Safeguarding Leads and nominated governors required to complete at least an annual report to the LGB; and the safeguarding Trustee provides an annual report to the Board of Trustees.

Insufficient funds to deliver the services to the appropriate level. Mitigated by robust financial planning systems to match resources to priorities, alertness to alternative income streams or grants; cautious budgeting to ensure future income not overestimated; discipline and restraint in pay policy to ensure value for money in staff salary costs; scale benefits, shared resourcing and efficiencies achieved through benefits of Trust working.

Failure in Corporate Governance. Mitigated by clear terms of reference established for all committees; clear accountabilities set and understood; whistleblowing and conflict of interest policies regularly reviewed; training/upskilling/induction programme in place for new Trustees and governors; regular review of governance effectiveness, openness to constructive (external) critique.

IT breach resulting in confidential data theft or corruption. Mitigated by disaster recovery plans in place, and the annual training on data protection awareness delivered to all staff.

Material event occurs within one of our schools that compromises pupil, staff or public safety. Mitigated by monitoring compliance with all Safeguarding and Health & Safety statutory requirements to reduce likelihood of material event; critical incident plans in place to ensure swift response to material event, limiting scale of impact and enabling normal operations to be resumed as quickly as possible.

The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective to not run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board of Trustees collectively, whilst more minor risks are dealt with by senior executive officers.

Trustees' Report (continued)
For the year ended 31 August 2020

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

This year the Board's regular review and reports of risk and control measures also specifically included consideration of the potential financial and operational risks arising from COVID-19 and how they affected the principal risks and uncertainties facing the trust during this period. Furthermore, the Board of Trustees met exceptionally specifically to review the risk assessments for partial and full opening of its schools.

There are some additional risks caused by the current COVID-19 situation facing schools. The main risks impacting all our schools are listed below.

- Health and safety risks for staff due to possible infection in the workplace – mitigations are COVID secure protection procedures, including social distancing between adults. This risk is present in every school, but our insistence on distancing between adults at the prescribed threshold, and on staff wherever possible maintaining distance from pupils in class, means that this risk is mitigated as much as it can be.
- The pandemic (and measures taken by government to control it such as lockdown and social distancing) may have an impact upon the mental health and well-being of employees – mitigated by range of measures to monitor, discuss and support employees' mental health.
- Rising pupil absence increasing safeguarding problems and impacting on educational progress – mitigated through well-designed remote learning and targeted monitoring for safeguarding.
- Closure of 'bubbles' for two week periods due to positive test results – mitigated through careful planning for reversion to high quality remote provision. Our schools are prepared to revert to this at short notice.
- Increased and prolonged staff absence impacting on budget and standards – mitigated by support for staff to get rapid access to testing to reduce unnecessary time at home.
- Financial cost of protective measures (principally PPE, sanitiser and additional cleaning) – mitigated by competitive procurement and budget adjustments.
- Behaviour and standards issues in schools as side effects of COVID protection measures – mitigated by clear leadership, focus on the essentials of good behaviour and compliance with safety measures, and continuing professional development of teachers in curriculum and pedagogy.

Fundraising

The Trust recognises the vital contribution made by its supporters, with voluntary donations accounting for approximately 0.55% of the Trust's incoming resources. This support helps us to enable the Trust to offer a richer experience for pupils in and beyond the taught curriculum.

We believe that giving to charity should be a positive experience, and to help ensure that this is the case the Trust has put in place a policy that seeks to ensure that the highest possible standards of fundraising practice are being adopted. This policy acknowledges the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the Trust. The Trust complies with all aspects of the Fundraising Regulator's Code of Practice. All fundraising activity is carried out within the Trust and it does not utilise the services of any external commercial fundraisers.

The Trust welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

During the COVID-19 pandemic, some of the traditional annual fund-raising events at schools have not been able to take place but school leaders and their supporters have managed this with alternative suitable fund-raising activities.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 August 2020

STRATEGIC REPORT (continued)

Plans for future periods

The strategic plan for the Trust envisages further growth in converter and sponsored academies, as well as new schools and expansions where demand for places exceeds current supply or where high quality provision is absent or insufficient. The Trust will continue to grow sustainably and will continue to make the case locally and nationally for Church of England schools, whilst also fulfilling its mission to incorporate non-denominational schools which share the Trust's values and approach to education. The Trust aims to articulate its Church of England underpinnings in all that it does.

The Trust will continue to ensure that in all schools the curriculum is well designed, properly sequenced and enriching for pupils and that evidence-informed and effective pedagogy is at the heart of teacher practice and professional development.

This year we will also be focussing on catching up our children and young people to compensate for lost teaching and its impact on pupil learning arising from COVID-19.

As part of the Altius Teaching School Alliance, the Trust will continue to develop the work and contribution of the Trust to the mission of Teaching Schools to improve the quality of education received by pupils in schools within its ambit. Currently our Teaching School is delivering two substantial projects: DfE Relationships Sex and Health Education Primary teacher training and a Sports England PE teacher training.

We will actively promote teacher development opportunities through the Trust as well as Altius and our SCITT, Teach Kent and Sussex.

The Trust will continue to communicate its approach to the development of resilience and character in young people both through the taught curriculum, by explicit understanding on the part of teachers on how to achieve this, and through planned activities and opportunities beyond the taught curriculum.

Finally, we will continue to make a distinctive and high profile contribution to education at national level through participation in national debate, review work and support for school improvement and national initiatives and projects.

All of these link to the charitable purposes set out above.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the year ended 31 August 2020

Disclosure of information to auditors

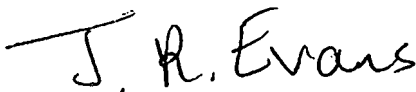
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10 December 2020 and signed on its behalf by:



Lady (Jacqueline) Evans
Chair of Trustees

The Tenax Schools Trust
(A Company Limited by Guarantee)

Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Tenax Schools 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Ian Bauckham CBE, CEO	6	6
Mr Matthew Bedford	5	6
Lady (Jacqueline) Evans, Chair	6	6
Mr Trevor Cristin	5	6
Mr Simon Curtis	6	6
Mr David Godfrey	6	6
Mrs Gillian Lloyd (Hargreaves)	4	5
Mr David Ralph, Vice-Chair JP	6	6
Ms Cherie Sargent	6	6
Mr James Shaw Hamilton	5	6

Mrs Catherine Dottridge (CFO) was in attendance 6 of the 6 meetings in the year.

There were two additional extra-ordinary meetings this year where Trustees were invited to consider the risk assessments for schools' partial opening during the COVID-19 pandemic and a further meeting of a sub-group of the Board of Trustees to consider the risk assessment for full-opening.

Trustee	Meetings attended	Out of a possible
Mr Ian Bauckham CBE, CEO	3	3
Mr Matthew Bedford	3	3
Lady (Jacqueline) Evans (Chair)	3	3
Mr Trevor Cristin	0	2
Mr Simon Curtis	3	3
Mr David Godfrey	2	2
Mrs Gillian Lloyd (Hargreaves)	2	2
Mr David Ralph JP	3	3
Ms Cherie Sargent	2	2
Mr James Shaw Hamilton	2	2

Mrs Catherine Dottridge (CFO) was in attendance at 3 of the 3 meetings.

Every committee reviews its role in the light of changes in legislation, responsibilities and accountability annually.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

The Finance, Audit and Risk Committee is a sub committee of the Board of Trustees. Attendance at the Finance, Audit and Risk Committee during the year at meetings was as follows:

Member	Meetings attended	Out of a possible
Mr David Ralph JP (Chair of Committee)	4	4
Mr Matthew Bedford	4	4
Mr David Godfrey	4	4
Lady (Jacqueline) Evans (audit only)	1	1
Mrs Catherine Dottridge (CFO)*	4	4

* except when meeting in 'Audit' mode when they were considered in attendance.

Mr Ian Bauckham CBE, CEO (Accounting Officer) was also in attendance at one meeting during the year (Audit meeting).

Mrs Sharon Green (Financial Controller) was also in attendance at three of the four meetings during the year.

The Education Committee is a sub committee of the Board of Trustees. Attendance at the Education Committee during the year at meetings was as follows:

Member	Meetings attended	Out of a possible
Mr Ian Bauckham CBE	3	3
Ms Cherie Sargent (Chair of Committee)	3	3
Mr Simon Curtis	3	3
Mr Trevor Cristin	2	3
Lady (Jacqueline) Evans	3	3

Mrs Rachel Green (Primary Lead Headteacher) was also in attendance at the three meetings during the year.

The SCITT Governance Committee is a sub committee of the Board of Trustees Attendance at SCITT Governance Committee meetings in the year was as follows:

Member	Meetings attended	Out of a possible
Mr David Godfrey (Chair of Committee)	4	4
Mr David Ralph JP	4	4
Mr James Shaw Hamilton	4	4
Mr Richard Tyson (Director, Teaching School & SCITT)	4	4

Mrs Laura Purser (SCITT Operations Director) was also in attendance at the three meetings during the year.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

The Pay and HR Committee ensures detailed scrutiny of remuneration matters including Executive and senior management team remuneration, Trust-wide pay awards and policy, pensions arrangements and other human resources matters. Attendance at Pay and HR Committee meetings in the year was as follows:

Member	Meetings attended	Out of a possible
Mr Matthew Bedford (Chair of Committee)	1	1
Lady (Jacqueline) Evans	1	1
Mr David Ralph JP	1	1
Ms Cherie Sargent	1	1

Mrs Claire Isaacs (Director of HR) was also in attendance.

Governance review

Under normal circumstances, the Trust would carry out an annual formal self-evaluation of governance using a framework developed with the Confederation of School Trusts. However, due to the COVID-19 pandemic, and in line with DfE guidance that boards should focus on matters requiring urgent attention, this was put on hold during the 2019-20 financial year, as was the planned external review of governance.

Review of value for money

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

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

- Operating a robust pay and performance management policy which rewards and incentivises effective teachers and does not reward relatively less successful teaching. A designated Pay and HR Committee is in place to annually review and manage implementation of the Trust's Pay Policy.
- Undertaking effective procurement using, where appropriate, competitive tendering, to ensure best value is achieved for contracts and services and obtaining alternative quotes for large scale projects
- Challenging existing contracts and changing suppliers where necessary to ensure value for money for service delivery
- Effective and efficient deployment of staff through regular use of deep dive analysis and benchmarking reviews of staffing structures and costs; and the sharing of resource where possible across schools and activities
- Achieving cost savings and efficiencies through realising scale benefits from growing the Trust

This year PPNs were taken into account where applicable during the lockdown and COVID-19 pandemic, and a review of the Trust's contracts with service providers is currently taking place to ensure value for money is continued to be achieved in view of COVID-19.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

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 on-going 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 Tenax Schools Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and Audit 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 guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has decided to employ Kreston Reeves LLP as internal auditor.

The Board of Trustees has considered the need for a specific internal audit function and this year appointed a suitably qualified and independent internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase and procurement
- Testing of income systems
- Testing of bank reconciliations
- Testing of control account reconciliations

The internal auditor reports to the Board of Trustees through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor has delivered the schedule of work as planned and any management actions identified in the areas under review have been followed up.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

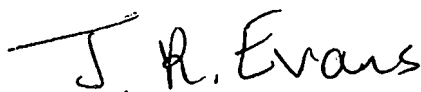
Review of effectiveness

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

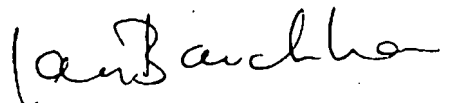
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the ;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Risk Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 10 December 2020 and signed on their behalf by:



Lady (Jacqueline) Evans
Chair of Trustees



Mr Ian Bauckham CBE
Accounting Officer

The Tenax Schools Trust
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



Mr Ian Bauckham CBE

Accounting Officer

Date: 10 December 2020

The Tenax Schools Trust
(A Company Limited by Guarantee)

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

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

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

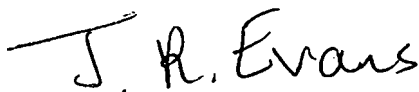
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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



Lady (Jacqueline) Evans
Chair of Trustees
Date: 10 December 2020

The Tenax Schools Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Tenax Schools Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Tenax Schools Trust
(A Company Limited by Guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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:

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

The Tenax Schools Trust
(A Company Limited by Guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Academy Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Tenax Schools Trust
(A Company Limited by Guarantee)

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

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.

Kreston Reeves LLP

Peter Manser FCA DChA (Senior Statutory Auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury

11 December 2020

The Tenax Schools Trust
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 15 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Tenax Schools Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Tenax Schools Trust's funding agreement with the Secretary of State for Education dated 27 October 2015 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

The Tenax Schools Trust
(A Company Limited by Guarantee)

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Work undertaken

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Reviewed that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed minutes of Trust Board minutes for declaration of interests
- Reviewed Governance arrangements
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kreston Reeves LLP

Kreston Reeves LLP
Reporting Accountant
Chartered Accountants

Date: 11 December 2020

The Tenax Schools Trust
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	4					
Transfer from local authority on conversion	4	-	-	-	-	(40,660)
Other donations and capital grants		169,059	-	13,751,890	13,920,949	1,628,057
Charitable activities	5	-	15,357,503	-	15,357,503	13,856,851
SCITT	32	-	782,740	-	782,740	597,630
Other trading activities	3	78,804	-	-	78,804	146,464
Investments	7	5,907	162	-	6,069	10,424
Other income	6	597,967	5,000	-	602,967	842,442
Total income		851,737	16,145,405	13,751,890	30,749,032	17,041,208
Expenditure on:						
Charitable activities	9	174,477	16,465,966	761,932	17,402,375	15,891,018
SCITT	32	-	747,862	-	747,862	571,776
Total expenditure		174,477	17,213,828	761,932	18,150,237	16,462,794
Net income		677,260	(1,068,423)	12,989,958	12,598,795	578,414
Transfers between funds	19	(392,340)	361,404	30,936	-	-
Net movement in funds before other recognised gains/(losses)		284,920	(707,019)	13,020,894	12,598,795	578,414
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	27	-	(178,000)	-	(178,000)	(911,000)
Net movement in funds		284,920	(885,019)	13,020,894	12,420,795	(332,586)

The Tenax Schools Trust
(A Company Limited by Guarantee)

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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Note					
Reconciliation of funds:					
Total funds brought forward	1,976,304	(4,111,187)	12,313,860	10,178,977	10,511,563
Net movement in funds	284,920	(885,019)	13,020,894	12,420,795	(332,586)
Total funds carried forward	2,261,224	(4,996,206)	25,334,754	22,599,772	10,178,977

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

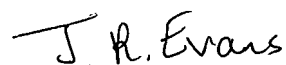
The notes on pages 34 to 68 form part of these financial statements.

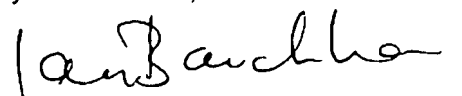
The Tenax Schools Trust
(A Company Limited by Guarantee)
Registered number: 07542155

Balance Sheet
As at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	25,104,866	12,134,107
Current assets			
Debtors	16	780,319	839,202
Cash at bank and in hand		3,673,756	3,119,809
Liabilities		4,454,075	3,959,011
Creditors: amounts falling due within one year	17	(1,763,577)	(1,592,250)
Net current assets		2,690,498	2,366,761
Total assets less current liabilities		27,795,364	14,500,868
Creditors: amounts falling due after more than one year	18	(90,592)	(58,891)
Net assets excluding pension liability		27,704,772	14,441,977
Defined benefit pension scheme liability	27	(5,105,000)	(4,263,000)
Total net assets		22,599,772	10,178,977
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	25,334,754	12,313,860
Restricted income funds	19	108,794	151,813
Pension reserve	19	(5,105,000)	(4,263,000)
Total restricted funds	19	20,338,548	8,202,673
Unrestricted income funds	19	2,261,224	1,976,304
Total funds		22,599,772	10,178,977

The financial statements on pages 30 to 68 were approved by the Trustees, and authorised for issue on 10 December 2020 and are signed on their behalf, by:


Lady (Jacqueline) Evans
Chair of Trustees


Mr Ian Bauckham CBE
Accounting Officer

The notes on pages 34 to 68 form part of these financial statements.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the year ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	21	148,869	1,033,760
Cash flows from investing activities	23	367,875	(689,396)
Cash flows from financing activities	22	37,203	51,989
Change in cash and cash equivalents in the year		553,947	396,353
Cash and cash equivalents at the beginning of the year		3,119,809	2,723,456
Cash and cash equivalents at the end of the year	24, 25	<u>3,673,756</u>	<u>3,119,809</u>

The notes on pages 34 to 68 form part of these financial statements

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

The Tenax Schools Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Bennett Memorial Diocesan School, Culverden Down, Tunbridge Wells, Kent, TN4 9SH. The principal activity of the Academy Trust is to provide a secondary and primary education for pupils that satisfies the requirements of the Education Act 2002.

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

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

The Academy Trust's functional and presentational currency is Pounds Sterling.

The Academy Trust's financial statements are presented to the nearest pound.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. While the impact of the COVID-19 pandemic has been assessed by the Trustees as far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the Academy Trust's activities.

However, taking into consideration the UK Government's response and its continued support of schools, as well as the Academy Trust's own reserves and planning, the Trustees 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. The Trustees confirm that 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.

Notes to the Financial Statements
For the year ended 31 August 2020

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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.

• **Other income**

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

• **Transfer on conversion**

The conversion from a state maintained school to an Academy Trust involved 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.

Where assets and liabilities are received by the Academy Trust on conversion from Fordcombe CE Primary School 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 Academy Trust. 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 or into the Academy Trust)**

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 Academy Trust's accounting policies.

Notes to the Financial Statements
For the year ended 31 August 2020

1. Accounting policies (continued)

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.

- **Charitable activities**

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

All resources expended are inclusive of 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 Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Premises occupied under a licence by church academies

The Rochester Diocesan Board of Education and Chichester Diocesan Board of Education own the legal titles of land and freehold property for the church academies the trust operate. In these circumstances, the Academy Trust's rights over the premises does not meet the definition of an asset as the Academy Trust does not have control over the premises. Accordingly the Academy Trust does not recognise these premises as a fixed asset on its balance sheet. There are no formal leases in place and the Rochester Diocesan Board of Education and Chichester Diocesan Board of Education do not charge any rent for the use of these properties.

Premises leased from local authorities

Land, buildings and playing fields occupied under 125 year leases from a local authority are recognised as a fixed asset in the Academy Trust balance sheet at fair value.

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 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 Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Notes to the Financial Statements
For the year ended 31 August 2020

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on all tangible fixed assets other than freehold and leasehold 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:

Freehold land	- Not depreciated
Long-term leasehold land	- Not depreciated
Long-term leasehold property	- 2% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 33% straight line
Assets under construction	- Not depreciated

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.7 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.

1.8 Cash at bank and in hand

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

1.9 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 Academy Trust 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.

1.10 Provisions

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

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

Notes to the Financial Statements
For the year ended 31 August 2020

1. Accounting policies (continued)

1.11 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.

1.12 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust 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 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

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

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

1. Accounting policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of 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 Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.15 Fund accounting

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

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.

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The 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.

Notes to the Financial Statements
For the year ended 31 August 2020

2. Critical accounting estimates and areas of judgement (continued)

Multi-employer defined benefit pension scheme

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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £25,104,866 at the reporting date (see note 15). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Critical areas of judgement:

Lease commitments

The Academy Trust has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the governors to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the governors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 27 for further details.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

2. Critical accounting estimates and areas of judgement (continued)

Tangible Fixed Assets

The Bishop Chavasse Primary School land and buildings were transferred to the Academy Trust at a value of £7,370,000 on 11 October 2019. The land and buildings were valued by Montagu Evans LLP on a depreciated replacement cost basis as at 31 August 2019. The Trustees are of the opinion there has been no change in value since 31 August 2019. Therefore these valuations have been used as an approximation of the fair value of the land and buildings.

The construction of the new building at Bennett Memorial Diocesan School has been included in the financial statements at the costs to 31 August 2020 provided by Kent County Council. The Trustees are of the opinion this valuation represents an approximation of the fair value of the building at 31 August 2020.

3. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	62,773	62,773	138,978
Other insurance claims	16,031	16,031	7,486
Total 2020	78,804	78,804	146,464

4. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Transfer from Local Authority on conversion	-	-	-	-	(40,660)
Donated asset from ESFA	-	-	7,370,000	7,370,000	-
Donated asset from Local authority	-	-	5,358,363	5,358,363	-
Donations	169,059	-	-	169,059	198,238
Capital grants	-	-	1,023,527	1,023,527	1,429,819
Total 2020	169,059	-	13,751,890	13,920,949	1,587,397
Total 2019	219,578	(112,000)	1,479,819	1,587,397	

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

5. Funding for the Academy Trust's educational operations

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	12,955,687	12,955,687	11,969,801
Start up grants	69,000	69,000	81,250
Other DfE/ESFA grants	1,604,815	1,604,815	1,307,961
	<u>14,629,502</u>	<u>14,629,502</u>	<u>13,359,012</u>
Other government grants			
Local Authority grants	728,001	728,001	497,839
	<u>15,357,503</u>	<u>15,357,503</u>	<u>13,856,851</u>
Total 2020	<u>15,357,503</u>	<u>15,357,503</u>	<u>13,856,851</u>
Total 2019	<u>13,856,851</u>	<u>13,856,851</u>	

6. Other incoming resources

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Contributions towards school trips	201,884	-	201,884	514,856
Contributions towards clubs and educational activities	12,527	-	12,527	23,211
Other incoming resources	383,556	5,000	388,556	304,375
Total 2020	<u>597,967</u>	<u>5,000</u>	<u>602,967</u>	<u>842,442</u>
Total 2019	<u>839,042</u>	<u>3,400</u>	<u>842,442</u>	

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

7. Investment income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	5,907	162	6,069	10,424
Total 2019	10,371	53	10,424	

8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Academy's educational operations					
Direct costs	9,792,885	-	1,250,049	11,042,934	10,595,407
Allocated support costs	3,043,848	1,640,499	1,675,094	6,359,441	5,295,611
SCITT	181,340	-	566,522	747,862	571,776
Total 2020	13,018,073	1,640,499	3,491,665	18,150,237	16,462,794
Total 2019	11,814,368	1,055,896	3,592,530	16,462,794	

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	11,042,934	6,359,441	17,402,375	15,891,018
Total 2019	10,595,407	5,295,611	15,891,018	

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	9,792,885	9,792,885	8,926,281
Educational supplies and services	788,382	788,382	1,096,864
Examination fees	142,311	142,311	161,280
Educational consultancy*	257,152	257,152	350,579
Staff development and training	30,436	30,436	29,193
Technology costs	19,467	19,467	16,667
Other direct costs	12,301	12,301	14,543
	11,042,934	11,042,934	10,595,407

*Educational consultancy reflects the delivery of school improvement activities to other local schools from the awarded Strategic School Improvement grants.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
Pension finance costs	76,000	76,000	70,000
Staff costs	3,043,848	3,043,848	2,735,408
Depreciation	419,325	419,325	271,273
Technology costs	257,924	257,924	158,935
Recruitment and support	29,248	29,248	23,800
Maintenance of premises and equipment	802,641	802,641	501,384
Cleaning	329,406	329,406	319,814
Rates and water	257,493	257,493	258,645
Energy costs	235,336	235,336	226,461
Insurance	83,604	83,604	88,854
Security and transport	44,280	44,280	51,237
Catering	293,961	293,961	273,459
Governance costs	70,774	70,774	57,206
Other support costs	276,762	276,762	259,135
CIF expenditure - roof repairs	138,839	138,839	-
	6,359,441	6,359,441	5,295,611

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	26,609	27,589
Depreciation of tangible fixed assets	419,325	271,273
Fees paid to external auditors for:		
- audit	21,500	21,500
- other services	4,250	4,250

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	9,318,934	8,904,834
Social security costs	954,908	867,182
Pension costs	2,592,054	1,934,502
	<u>12,865,896</u>	<u>11,706,518</u>
Agency staff costs	152,177	107,850
	<u><u>13,018,073</u></u>	<u><u>11,814,368</u></u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	166	165
Administration and support	220	230
Management	21	21
	<u>407</u>	<u>416</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	150	145
Administration and support	129	123
Management	21	21
	<u>300</u>	<u>289</u>

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

11. Staff (continued)

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	3	4
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-

The above employees participated in the Teachers' Pension scheme and the Local Government Pension Scheme. Contributions during the year ended 31 August 2020 amounted to £151,258 towards the Teachers' Pension Scheme (2019: £102,784) and £17,262 towards the Local Government Pension Scheme (2019: £16,800).

d. Key management personnel

The key management personnel of the Academy Trust comprise the Executive group as listed on page 2. The total salaries received by key management personnel for their services to the Academy Trust was £388,835 (2019: £377,759). Employer pension contributions were a total of £88,900 (2019: £65,393) and employer national insurance contributions were a total of £48,878 (2019: 47,586).

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

12. Central services

The Academy Trust has provided the following central services to its academies during the year:

- Educational support services
- Finance and administrative support
- Others as arising

The Academy Trust charges for these services on the following basis:

A flat percentage of 3.5% of General Annual Grant income and 4% for Bishop Chavassee CE Primary School to reflect the additional central support provided during the school's transitional opening phase.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Bennett Memorial Diocesan School	261,776	239,030
Bishop Chavassee CE Primary School	28,898	24,148
Brenchley and Matfield CE Primary School	22,332	21,478
Fordcombe CE Primary School	15,166	13,662
Jarvis Brook Primary School	24,266	23,925
Leybourne Ss Peter and Paul CE Primary School	25,767	25,371
SCITT	13,274	9,717
Sir Henry Fermor CE Primary School	47,147	44,112
West Malling CE Primary School	28,358	27,184
Total	466,984	428,627

13. Trustees' remuneration and expenses

The CEO only receives remuneration in respect of services he provides undertaking his role of CEO under his contract of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
Mr Ian Bauckham CBE, CEO	Remuneration	130,000 - 135,000	125,000 - 130,000
	Pension contributions paid	30,000 - 35,000	20,000 - 25,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

14. Trustees' and Officers' insurance

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees 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 Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

15. Tangible fixed assets

	Freehold land and property £	Long-term leasehold land and property £	Assets under construction £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation							
At 1 September 2019	4,019,000	8,133,065	103,231	151,857	588,008	3,988	12,999,149
Additions	-	19,855	407,351	181,051	53,464	-	661,721
Donated assets	-	7,370,000	5,358,363	-	-	-	12,728,363
Disposals	-	-	-	-	(2,793)	-	(2,793)
Transfers between classes	-	103,231	(103,231)	-	-	-	-
At 31 August 2020	4,019,000	15,626,151	5,765,714	332,908	638,679	3,988	26,386,440
Depreciation							
At 1 September 2019	-	279,324	-	91,571	492,818	1,329	865,042
Charge for the year	-	269,228	-	52,366	96,402	1,329	419,325
On disposals	-	-	-	-	(2,793)	-	(2,793)
At 31 August 2020	-	548,552	-	143,937	586,427	2,658	1,281,574
Net book value							
At 31 August 2020	4,019,000	15,077,599	5,765,714	188,971	52,252	1,330	25,104,866
At 31 August 2019	4,019,000	7,853,741	103,231	60,286	95,190	2,659	12,134,107

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

15. Tangible fixed assets (continued)

The Academy Trust's transactions relating to land and buildings included:

During the prior year, the Academy Trust recognised land of £50,000 comprising a 125 year lease granted from Kent County Council in respect of land at Fordcombe Church of England Primary School at 1 October 2018.

During the prior year, the ESFA constructed a new building at Bishop Chavasse Primary School and donated this gift of long-term leasehold land and buildings for £7,370,000, over a 125 year lease term, on 11 October 2019. A desktop valuation was provided on a depreciated replacement cost basis and undertaken by a qualified MRICS at Montagu Evans LLP dated 31 August 2019.

During the year, Kent County Council began construction on a new building at Bennett Memorial Diocesan School for £5,358,363 (representing the cost incurred to 31 August 2020). This has been donated as a gift to the Academy Trust over a 125 year lease term and is included in assets under construction. This will be transferred to long-term leasehold property when the final building work completion certificate is approved.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

16. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	10,009	8,315
VAT recoverable	127,483	238,754
Prepayments and accrued income	642,827	592,133
	<u>780,319</u>	<u>839,202</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	13,923	8,421
Trade creditors	230,418	110,591
Other taxation and social security	161,755	183,755
Other creditors	190,545	133,797
Accruals and deferred income	1,166,936	1,155,686
	<u>1,763,577</u>	<u>1,592,250</u>

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

17. Creditors: Amounts falling due within one year (continued)

	2020 £	2019 £
	2020 £	2019 £
Deferred income at 1 September 2019	140,789	224,953
Resources deferred during the year	203,547	140,789
Amounts released from previous periods	(140,789)	(224,953)
	<u>203,547</u>	<u>140,789</u>

At the balance sheet date the Academy Trust was holding funds received in advance of the 2020/2021 financial year in respect of free school meals and contributions towards trips and other activities.

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

	2020 £	2019 £
Other loans	<u>90,592</u>	<u>58,891</u>

Included in other loans are long term, interest free Salix loans from Kent County Council to Leybourne Ss Peter and Paul CE Primary School and Bennett Memorial Diocesan School.

Included in other loans are long term, interest free CIF loans from the ESFA to Bennett Memorial Diocesan School and Brenchley and Matfield CE Primary School.

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Payable or repayable by instalments	43,035	27,500
	<u>43,035</u>	<u>27,500</u>

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	1,976,304	851,737	(174,477)	(392,340)	-	2,261,224
Restricted general funds						
General Annual Grant (GAG)	34,456	12,950,823	(13,298,279)	361,404	-	48,404
Other DfE/ESFA grants	53,826	1,657,945	(1,711,771)	-	-	-
Other Government grants	29,907	748,735	(778,642)	-	-	-
SCITT	33,624	787,902	(761,136)	-	-	60,390
Pension reserve	(4,263,000)	-	(664,000)	-	(178,000)	(5,105,000)
	<u>(4,111,187)</u>	<u>16,145,405</u>	<u>(17,213,828)</u>	<u>361,404</u>	<u>(178,000)</u>	<u>(4,996,206)</u>
Restricted fixed asset funds						
General Fixed Asset Fund	12,134,107	12,728,363	(419,325)	661,721	-	25,104,866
DfE/ESFA capital grants	179,753	1,023,527	(342,607)	(630,785)	-	229,888
	<u>12,313,860</u>	<u>13,751,890</u>	<u>(761,932)</u>	<u>30,936</u>	<u>-</u>	<u>25,334,754</u>
Total Restricted funds	<u>8,202,673</u>	<u>29,897,295</u>	<u>(17,975,760)</u>	<u>392,340</u>	<u>(178,000)</u>	<u>20,338,548</u>
Total funds	<u>10,178,977</u>	<u>30,749,032</u>	<u>(18,150,237)</u>	<u>-</u>	<u>(178,000)</u>	<u>22,599,772</u>

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

Unrestricted funds are applied to the general work of the Academy Trust to support activities inside and outside the curriculum.

GAG represents funds to be used to cover the normal running costs of the Academy Trust.

Other DfE/ESFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

19. Statement of funds (continued)

DfE/ESFA capital grants funds is to provide the Academy Trust with its own capital money to address improvements to buildings and other facilities. The balance on the fund represents unspent capital grant money to be spent in the first school term of 2020/2021.

The SCITT processes bursary payments for trainees and receives tuition funding payments.

The Restricted fixed asset fund represents the leasehold land and buildings and other assets which were donated upon conversion to academy status, the value of fixed assets purchased since conversion including depreciation to the balance sheet date.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Bennett Memorial Diocesan School*	1,366,854	1,263,056
Bishop Chavasse CE Primary School	135,818	87,925
Brenchley and Matfield CE Primary School	227,663	159,905
Fordcombe CE Primary School	16,491	10,323
Jarvis Brook Primary School	202,980	215,341
Leybourne Ss Peter and Paul CE Primary School	78,249	44,311
SCITT	60,390	33,624
Sir Henry Fermor CE Primary School	129,554	140,199
Tenax Schools Trust**	95,850	83,733
West Malling CE Primary School	56,169	89,700
Total before fixed asset funds and pension reserve	2,370,018	2,128,117
Restricted fixed asset fund	25,334,754	12,313,860
Pension reserve	(5,105,000)	(4,263,000)
Total	22,599,772	10,178,977

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

19. Statement of funds (continued)

*This includes a designated contribution to KCC for the expansion project, the 3G sinking fund, Condition Improvement Funding and The Altius Teaching School Alliance and remaining strategic school improvement fund for primary mathematics in local schools.

**This includes an academy conversion support grant received for a school to join the Trust and remaining strategic school improvement fund for secondary mathematics in local schools.

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Bennett Memorial Diocesan School	5,738,040	894,868	877,597	1,341,752	8,852,257	8,019,266
Bishop Chavasse CE Primary School	469,370	89,623	19,932	311,530	890,455	661,894
Brenchley and Matfield CE Primary School	550,393	30,631	73,372	241,629	896,025	774,777
Fordcombe CE Primary School	356,289	51,195	28,460	75,658	511,602	455,693
Jarvis Brook Primary School	516,334	179,305	39,031	161,139	895,809	836,733
Leybourne Ss Peter and Paul CE Primary School	571,959	114,379	47,722	113,339	847,399	865,164
SCITT	181,340	7,693	96,616	462,213	747,862	571,776
Sir Henry Fermor CE Primary School	1,110,941	165,651	37,453	311,669	1,625,714	1,460,579
Tenax Schools Trust	346,016	756,081	2,172	124,712	1,228,981	1,346,382
West Malling CE Primary School	837,134	149,843	61,229	186,602	1,234,808	1,199,257
Academy Trust	10,677,816	2,439,269	1,283,584	3,330,243	17,730,912	16,191,521

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

19. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	1,103,646	1,215,455	(351,528)	8,731	-	1,976,304
Restricted general funds						
General Annual Grant (GAG)	407,486	12,051,051	(12,888,156)	464,075	-	34,456
Other DfE/ESFA grants	80,694	1,307,961	(1,307,961)	(26,868)	-	53,826
Other Government grants	234,557	497,839	(503,489)	(199,000)	-	29,907
SCITT	13,136	601,083	(581,387)	792	-	33,624
Pension reserve	(2,681,000)	(112,000)	(559,000)	-	(911,000)	(4,263,000)
	<u>(1,945,127)</u>	<u>14,345,934</u>	<u>(15,839,993)</u>	<u>238,999</u>	<u>(911,000)</u>	<u>(4,111,187)</u>
Restricted fixed asset funds						
General Fixed Asset Fund	10,204,400	50,000	(271,273)	2,150,980	-	12,134,107
DfE/ESFA capital grants	1,148,644	1,429,819	-	(2,398,710)	-	179,753
	<u>11,353,044</u>	<u>1,479,819</u>	<u>(271,273)</u>	<u>(247,730)</u>	<u>-</u>	<u>12,313,860</u>
Total Restricted funds	<u>9,407,917</u>	<u>15,825,753</u>	<u>(16,111,266)</u>	<u>(8,731)</u>	<u>(911,000)</u>	<u>8,202,673</u>
Total funds	<u>10,511,563</u>	<u>17,041,208</u>	<u>(16,462,794)</u>	<u>-</u>	<u>(911,000)</u>	<u>10,178,977</u>

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	25,104,866	25,104,866
Current assets	2,264,264	1,890,423	299,388	4,454,075
Creditors due within one year	(3,040)	(1,753,037)	(7,500)	(1,763,577)
Creditors due in more than one year	-	(28,592)	(62,000)	(90,592)
Provisions for liabilities and charges	-	(5,105,000)	-	(5,105,000)
Total	2,261,224	(4,996,206)	25,334,754	22,599,772

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	12,134,107	12,134,107
Current assets	1,976,304	1,802,954	179,753	3,959,011
Creditors due within one year	-	(1,592,250)	-	(1,592,250)
Creditors due in more than one year	-	(58,891)	-	(58,891)
Provisions for liabilities and charges	-	(4,263,000)	-	(4,263,000)
Total	1,976,304	(4,111,187)	12,313,860	10,178,977

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

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

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	12,598,795	578,414
Adjustments for:		
Depreciation	419,325	271,272
Capital grants from DfE and other capital income	(1,023,527)	(1,429,819)
Interest receivable	(6,069)	(10,424)
Defined benefit pension scheme obligation inherited	-	112,000
Defined benefit pension scheme cost less contributions payable	588,000	489,000
Defined benefit pension scheme finance cost	76,000	70,000
Decrease in debtors	58,883	217,735
Increase in creditors	165,825	806,922
Assets inherited on conversion	-	(50,000)
Cash inherited on conversion	-	(21,340)
Assets donated from ESFA / Local Authority	(12,728,363)	-
Net cash provided by operating activities	148,869	1,033,760

22. Cash flows from financing activities

	2020 £	2019 £
Cash inflows from new borrowing	48,016	55,000
Repayments of borrowing	(10,813)	(3,011)
Net cash provided by financing activities	37,203	51,989

23. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	6,069	10,424
Purchase of tangible fixed assets	(661,721)	(2,150,979)
Capital grants from DfE Group	1,023,527	1,429,819
Cash inherited on conversion	-	21,340
Net cash provided by/(used in) investing activities	367,875	(689,396)

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	3,673,756	3,119,809
Total cash and cash equivalents	3,673,756	3,119,809

25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	3,119,809	553,947	-	3,673,756
Debt due within 1 year	(139,245)	(19,615)	(5,502)	(164,362)
Debt due after 1 year	(58,891)	10,813	(42,514)	(90,592)
	2,921,673	545,145	(48,016)	3,418,802

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

26. Conversion to an academy trust - Prior year

On 1 October 2018 Fordcombe CE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Tenax Schools Trust from Kent County 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 Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net loss in the Statement of Financial Activities as Expenditure on Charitable activities - 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 Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	50,000	50,000
Current assets				
Cash - representing budget surplus on LA funds	21,340	-	-	21,340
LGPS pension deficit	-	(112,000)	-	(112,000)
Net assets/(liabilities)	<u>21,340</u>	<u>(112,000)</u>	<u>50,000</u>	<u>(40,660)</u>

During the prior year, the Academy Trust recognised land of £50,000 comprising a 125 year lease granted from Kent County Council in respect of land at Fordcombe Church of England Primary School at 1 October 2018.

27. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council and East Sussex 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 £150,439 were payable to the schemes at 31 August 2020 (2019 - £130,824) and are included within creditors.

Notes to the Financial Statements
For the year ended 31 August 2020

27. Pension commitments (continued)

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 £1,520,963 (2019 - £1,012,391).

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

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £635,000 (2019 - £575,000), of which employer's contributions totalled £482,000 (2019 - £436,000) and employees' contributions totalled £ 153,000 (2019 - £139,000). The agreed contribution rates for future years are 20 (KCC) and 14.5 - 14.8 (ESCC) per cent for employers and 5.5 to 12.5 per cent for employees.

As described in note 26 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Principal actuarial assumptions

Kent County Council Pension Fund

	2020	2019
	%	%
Rate of increase in salaries	3.30	3.75
Rate of increase for pensions in payment/inflation	2.30	2.25
Discount rate for scheme liabilities	1.60	1.85

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

	2020	2019
	Years	Years
Retiring today		
Males	21.8	22.1
Females	23.8	24.0
Retiring in 20 years		
Males	23.2	23.7
Females	25.2	25.8

East Sussex County Council Pension Fund

	2020	2019
	%	%
Rate of increase in salaries	2.20	2.70
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.80

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

27. 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:

	2020	2019
	Years	Years
Retiring today		
Males	21.6	21.2
Females	23.9	23.5
Retiring in 20 years		
Males	22.5	22.1
Females	25.3	24.9

Sensitivity analysis

Kent County Council Pension Fund

	2020	2019
	£	£
Real Discount Rate decrease of 0.1%	220,000	174,000
Mortality assumption - 1 year increase	359,000	312,000
Salary Increase Rate of 0.1%	19,000	15,000
Pension Rate increase of 0.1%	200,000	158,000

East Sussex County Council Pension Fund

	2020	2019
	£	£
Discount rate -0.5%	279,000	215,000
Salary rate increase of 0.5%	13,000	23,000
Pension Rate increase of 0.5%	259,000	189,000

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	2020	2019
	£	£
Equities	4,466,000	3,968,000
Gilts	38,000	34,000
Corporate bonds	915,000	664,000
Property	706,000	655,000
Cash and other liquid assets	182,000	159,000
Target return portfolio	426,000	374,000
Total market value of assets	6,733,000	5,854,000

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

27. Pension commitments (continued)

The actual return on scheme assets was £344,000 (2019 - £261,000).

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

	2020 £	2019 £
Current service cost	(1,057,000)	(853,000)
Past service cost	(10,000)	(70,000)
Interest income	113,000	143,000
Interest cost	(189,000)	(213,000)
Administrative expenses	(3,000)	(2,000)
Transfer in on academy converter joining the Trust	-	(112,000)
Total amount recognised in the Statement of Financial Activities	(1,146,000)	(1,107,000)

As described in note 26 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the prior year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

	2020 £	2019 £
At 1 September	10,117,000	7,659,000
Conversion of academy trusts	-	231,000
Interest cost	189,000	213,000
Employee contributions	153,000	139,000
Change in financial assumptions	724,000	1,465,000
Benefits paid	(156,000)	(77,000)
Past service costs	-	70,000
Current service costs	1,067,000	853,000
Change in demographic assumptions	(256,000)	(436,000)
At 31 August	11,838,000	10,117,000

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

27. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	5,854,000	4,978,000
Conversion of academy trusts	-	119,000
Interest income	113,000	143,000
Actuarial gains	290,000	118,000
Employer contributions	482,000	436,000
Employee contributions	153,000	139,000
Benefits paid	(156,000)	(77,000)
Administration expenses	(3,000)	(2,000)
At 31 August	6,733,000	5,854,000

28. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	52,700	29,903
Later than 1 year and not later than 5 years	111,584	40,687
	164,284	70,590

29. Members' liability

Each member of the charitable company 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
For the year ended 31 August 2020

30. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

During the year, Gillian Lloyd (Hargreaves), a Trustee from 28 November 2019, delivered training to delegates as part of the NPQEL programme run by Altius Teaching School. The total payment made for this work totalled £500.

This transaction was conducted on normal commercial terms, at arm's length without the exercise of any influence by the related party involved.

The Rochester Diocesan Board own the legal title of the land and freehold property where the Bennett Memorial Diocesan academy is situated therefore only the value of the land that is owned by the Academy Trust, comprising the school sports field and driveway, is included in these financial statements. There is no formal lease in place and the Rochester Diocesan Board do not charge rent for the use of the property.

Income Related Party Transaction

During the year £46,300 (2019: £41,400) was received from the Bennett Memorial Diocesan School Charity as a contribution towards the chaplain salary and other general charity administration expenses. £16,297 (2019: £Nil) was also received as a capital contribution towards the 3G pitch.

31. Controlling party

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Trustees. There is no ultimate controlling party.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2020

32. SCITT trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Direct income				
ESFA Income	440,867		320,000	
SCITT SFE and private funding	346,873		281,030	
Bank interest	162		53	
Total other income	347,035		281,083	
Total income		787,902		601,083
Expenditure				
Direct expenditure				
Direct staff costs	129,705		112,475	
DBS checks	3,868		2,246	
Other staff costs	2,825		3,506	
Curriculum resources	89		44	
Staff development	96,527		77,630	
Bursary payments	440,867		320,000	
Total direct expenditure	673,881		515,901	
Other expenditure				
Other staff costs	51,635		40,204	
Exam moderator fees	1,000		2,555	
Professional fees non curriculum	386		275	
Non curriculum resources	437		4,462	
Administration expenses	15,425		10,571	
Payroll charges	1,192		866	
Subs and licenses	6,438		798	
Audit fees	1,000		1,000	
Hospitality and catering	9,119		3,065	
Furniture	623		898	
Total other expenditure	87,255		64,694	
Total expenditure		761,136		580,595
Surplus from all sources		26,766		20,488
SCITT balances at 1 September 2019		33,624		13,136
SCITT balances at 31 August 2020		60,390		33,624