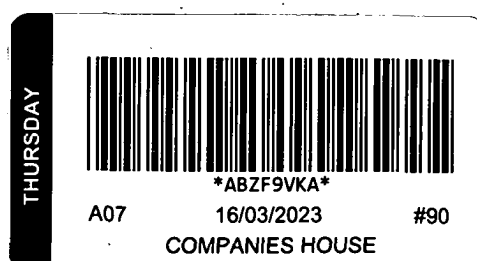


Company Registration Number: 07542155 (England & Wales)

The Tenax Schools Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2022



The Tenax Schools Trust
(A Company Limited by Guarantee)

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The Tenax Schools Trust
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Reference and Administrative Details

Members

The Bishop of Rochester¹
The Archdeacon of Tonbridge²
The Area Dean of Tunbridge Wells
The Chichester Diocesan Board of Education
Lady (Jacqueline) Evans

- ¹ The office of Bishop of Rochester was vacant during the academic year 2021-22. The Rt Revd Dr Jonathan Gibbs was inaugurated as Bishop of Rochester on 24 September 2022.
² The office of Archdeacon of Tonbridge was vacant from 19 July 2021 to 16 January 2022, when The Ven Sharon Copestake was admitted into office.

Trustees

Mr Ian Bauckham CBE, CEO
Mr Matthew Bedford^{1,4}
Lady (Jacqueline) Evans, Chair^{2,4,5,6}
Mr Trevor Cristin⁵
Mr Simon Curtis^{5,6}
Mr David Godfrey^{1,3}
Mrs Gillian Lloyd (Hargreaves)³
Mr David Ralph, Vice-Chair JP^{1,3,4,6}
Ms Cherie Sargent (retired 31.08.22)^{4,5,6}
Mr James Shaw Hamilton (stepped down at end of term of office on 19.03.22)³

- ¹ Member of Finance, Audit and Risk Committee
² Member of Finance, Audit and Risk Committee (Audit only)
³ Member of Teacher Training & Development Committee
⁴ Member of Pay & HR Committee
⁵ Member of Education Committee
⁶ Member of CEO Performance Management 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
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Reference and Administrative Details (continued)
For the year ended 31 August 2022

Executive group

Mr Ian Bauckham, Chief Executive Officer/Accounting Officer
Mr Matthew Clark, Director of Primary Education
Mrs Catherine Dottridge, Chief Financial Officer
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)
Mrs Tina Holditch (Leybourne Ss Peter and Paul CE Primary School)
Mrs Jane Mallon (Brenchley & Matfield CE Primary School)
Mr David Rye (West Malling CE Primary School)
Mr Jon Sparke (Bennett Memorial Diocesan Secondary School)
Mrs Sacha Strand (Sir Henry Fermor CE Primary School,
Bishop Chavassee CE Primary School (from 14.03.22))
Mrs Donna Weeks (Bishop Chavassee CE Primary School) to 14.03.22
Mrs Jacqueline Zadeh (Jarvis Brook Primary School)

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Trustees' Report
For the year ended 31 August 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. 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 on roll of 3,376 as at census date October 2022*.

School Name	No. on roll Census Oct 2022	
Bennett Memorial Diocesan Secondary School	1872	Founding School - 1 September 2015
Bishop Chavasse CE Primary School	305	New Free School - opened 1 September 2017
Brenchley & Matfield CE Primary School	193	Converted 1 May 2016
Fordcombe CE Primary School	73	Converted 1 October 2018
Jarvis Brook Primary School	140	Converted 1 March 2017
Leybourne Ss Peter and Paul CE Primary School	214	Converted 1 March 2017
Sir Henry Fermor CE Primary School	379	Converted 1 April 2016
West Malling CE Primary School	200	Joined 1 September 2017

*Plus a further 15 pupils in the pre-school.

The Trust also includes:

- The Kent Teaching School Hub, operated by Bennett Memorial Diocesan School, which was designated by the DfE in February 2021 as the Teaching School Hub for East and West Kent. From September 2021, Teaching School Hubs have been responsible for the delivery of the Early Career Framework, teacher professional development (primarily the reformed suite of National Professional Qualifications), Appropriate Body services and Initial Teacher Training.
- The Teach Kent & Sussex SCITT (School Centred Initial Teacher Training), which delivers Initial Teacher Training.

The Tenax Schools Trust
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Trustees' Report (continued)
For the year ended 31 August 2022

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.

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.

Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are appointed under the terms of the Articles of Association and its Governance Plan. The Members of the Tenax Schools Trust have appointed 8 Trustees. A recruitment exercise is underway to fill the 2 vacancies that have arisen and to provide succession for Trustees coming towards the end of their current term of office. The Members and Trustees look for the most appropriate candidates bringing relevant experience and skills when appointing new Trustees.

Policies and procedures 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, Audit and Risk Committee has the strategic oversight of all matters related to Audit, Risk, Finance and 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 Academy Trust Handbook. The Committee enables more detailed consideration for ensuring sound management of finances and capital assets, including proper planning, monitoring and probity.

The Tenax Schools Trust
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Trustees' Report (continued)
For the year ended 31 August 2022

The Education Committee acts as a scrutiny committee to assist the Board in discharging its accountabilities related to the quality of education provided to pupils. The role of this Committee is to ensure annual school improvement plans identify appropriate areas for further development in terms of educational quality, behaviour, attitudes and attendance, personal development, ethos and leadership for each school. It also scrutinises the work of the school across these areas offering support or challenge as required, and tests the reliability and validity of monitoring information about performance in these areas. 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 more effectively.

The Teacher Training and Development Committee ensures accountability for the Trust's Teaching School Hubs and SCITT against its strategic objectives and oversees the wider continuous professional development of Tenax teaching staff.

In addition, there is a Pay and HR Committee and further committees for specific purposes, including a committee established to oversee the annual CEO Performance Management process. Each Committee has a Terms of Reference, including details of delegation where applicable, 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 chair of each LGB is appointed by the Board of Trustees.

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. Trustees keep the balance of accountabilities across the Executive group under regular review, in order to manage day-to-day operational activities. 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 regard 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 2021 to 31 March 2022 and is not in-line with the academic year.

The Tenax Schools Trust
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Trustees' Report (continued)
For the year ended 31 August 2022

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	3.6 FTE

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	TOTAL £4,898
Provide the total pay bill	£15,949,936
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.03%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0%
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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.

Engagement with employees (including disabled persons)

Employee involvement

Where appropriate the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant staff and trade unions and employees are encouraged to share ideas. The Trust provides information to employees by way of written communications, staff meetings and briefings and, on specific matters, directly by management and has continued to build on the use of technologies for virtual interaction and electronic communication with colleagues, which was developed during the Covid-19 pandemic.

Trustees' Report (continued)
For the year ended 31 August 2022

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. These plans have been informed by independent accessibility audits carried out in January 2022 at all Trust schools, by Equality Act Audits. The audits, funded by SCA, resulted in a detailed report for each school along with suggested actions, which have been incorporated into School Accessibility Plans, and form part of the Trust estates management framework.

Engagement with suppliers, customers and others in a business relationship with the trust

The Directors fulfil their duty to promote the success of the Charitable Company, under Section 172 of the Companies Act 2006 (the Act) and consider the interests of The Tenax Schools Trust's key stakeholders when making decisions. The Trust has a clear purpose which is to provide outstanding education in both primary and secondary schools in Kent and East Sussex. This requires the Board, Executive Group and other employees to maintain an approach to strategic, financial and operational decision making that is values based and sustainable in approach, and therefore aligned to the requirements and expectations of Section 172. Our long-term success relies upon our delivering the strategic objectives described in the Directors' report above through our talented and committed employees; close working relationships with regulators and suppliers, providing benefits to both the pupils in our schools and the wider school community. In the light of our purpose and strategy, as set out in the Directors' Report, our Directors take steps to understand the needs and priorities of each stakeholder group and do so via a number of mediums, including by direct engagement through school visits and discussions with employees; employee, parent and pupil surveys; and via committees and forums. Strategic priorities are discussed with the Board at the start of each year. These are informed by our long-term vision, the outcomes for pupils and other key performance measures from the previous year and the outcomes of our stakeholder surveys. The Board set key performance indicators and targets relating to these priorities and monitor performance against these.

Trustees' Report (continued)
For the year ended 31 August 2022

OBJECTIVES AND ACTIVITIES

Ethos, aims and objectives

Tenax is a Church of England Trust. Our vocation is to be deeply Christian and at the same time to serve the common good in all aspects of our work. In our schools, our vision for education is expressed and promoted as one of human flourishing that inspires what the school is and does. In our Church schools, the deeply Christian foundation for this vision will be seen explicitly in the curriculum, both in RE and more widely, and also in the authentically Christian worship and ethos of those schools. In all contexts our work is underpinned by the values of wisdom, hope, community and dignity.

Our strategic aims underpin our work across the organisation. This work particularly focusses on the running and improving of academy schools, and also includes the training and professional development of teachers both for our Trust and the wider system, and other activities which make a positive contribution to the educational public good. Our strategic aims are:

1. To provide high quality education to all pupils in all our schools across the age range through a broad, knowledge-rich curriculum that unlocks 'the best of what has been thought and said'
2. To provide rich personal development to form children and young people as confident, committed and engaged adults who are ready and able to make a positive contribution to the society in which they will live, in a safe and nurturing environment
3. To be the centre of outstanding teacher training and development, providing rigorous, evidence-based professional training for teachers at all stages on a local and regional scale
4. To seek to play a strong role in the promotion of good quality education for the public good beyond our own schools whenever economically viable opportunities arise to do so
5. To grow the Trust sustainably as a family of schools, attracting new schools that fit the tapestry of our Trust family
6. To further develop the effectiveness of governance across the Trust to assure strategic leadership and accountability and support growth

Objectives, which are developed and reviewed annually, reflect and support the delivery of the Trust's ethos and strategic aims.

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 academic and personal education and faith development of 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 quality of education and 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.

Trustees' Report (continued)
For the year ended 31 August 2022

STRATEGIC REPORT

Achievements and performance

Owing to the disruption of the Covid-19 pandemic, no examinations or tests were taken in the summer of 2021 which meant that no performance tables were published as would normally happen during the autumn of 2021. However, KS2 tests and GCSE and A Level examinations were reinstated in the summer of 2022, and in due course performance tables will be published during the autumn of 2022. The approach to grading taken for A Level and GCSE in 2022 was different to normal, so it is too early at the time of writing this report to be clear about levels of achievement in comparison with the national picture.

Ofsted inspection recommenced after the pandemic in autumn 2021. Leybourne Saint Peter and St Paul Primary School was inspected in November 2021 and judged Good in all areas. Bishop Chavasse Primary School was inspected twice in the school year 2021-22. After an initial inspection in January revealed some specific weaknesses leading it to be judged Inadequate, it was inspected again in July 2021 and found to be Good in all areas and with Outstanding Early Years provision, making it one of only very few local primary schools to include Outstanding Early Years provision. Additionally, West Malling Primary School underwent a SIAMS inspection in the 2021-22 school year and was judged as Good in all respects. Fordcombe CE Primary School was inspected by Ofsted in October 2022. The inspection was an 'ungraded' inspection for a 'Good' school, so the inspection grade of the school has not changed from Good. The report affirms the distinctive character of this village primary school and its distinctive Christian and caring climate. It strongly affirms the work the school does in a number of important areas, including the teaching of reading. The recommendations for continued improvement very much built on the direction of travel the school has been on in terms of wider curriculum development.

Review of activities

During this year the Trust comprised eight schools. In addition an Academy Order remains in place for another local primary school to join the Trust.

The Trust continues to work with all schools to further develop the quality of education, with a particular focus on refining curriculum planning, improving pedagogy through evidence-based teacher development, and enabling all pupils, including the disadvantaged and those with special educational needs, to achieve highly. Further, the Trust has focused on continuing to improve attendance, behaviour and personal development across our schools as the recovery from the pandemic continues. During the 2021-22 academic year, we have undertaken reviews of safeguarding at Bennett Memorial Diocesan School and Bishop Chavasse, Brenchley and Matfield, Fordcombe and West Malling primary schools, and further enhanced processes to ensure alignment with best practice in all cases. External reviews of safeguarding at our other schools have been arranged for the 2022-23 academic year. In our Church schools we have prioritised the development of the Christian ethos in collaboration with local churches and other stakeholders.

The Trust's School Centred Initial Teacher Training provision (SCITT), known as Teach Kent and Sussex, having been judged by Ofsted to be Outstanding shortly before the pandemic, has continued to operate successfully. It finished its fifth operating year within budget, and at the time of writing 55 out of 57 newly qualified primary and secondary teachers have secured employment. 44 new trainees have begun their training in September 2022, with an additional 12 continuing with year 2 of their part-time training course, resulting in an overall total of 56 trainees as at September 2022.

In January 2021, Bennett Memorial Diocesan School, within the Tenax Schools Trust, was designated by the DfE as the Teaching School Hub for two of the 87 Teaching School Hub areas nationally, covering in our case both East and West Kent.

During the first year of operation, the school year 2021-2022, the Kent Teaching School Hub had significant impact across our areas. We worked with 197 schools, and 1100 teachers benefited from at least one of our professional development programmes. We worked with 64% of secondary schools and 34% of primaries in our region, and our programmes are also accessed by specialist provision and PRU. 98,000 pupils attend schools which are engaged with our professional development programmes, which is almost half of all school pupils across our two areas. We also have small but significant participation levels from beyond our designated areas.

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Trustees' Report (continued)
For the year ended 31 August 2022

In our second year of designation, 2022-2023, numbers are strengthening further in all areas, and in particular our Appropriate Body work for the accreditation of Early Career induction is growing significantly. We are currently the only Teaching School hub in the south east region which provides the full suite of National Professional Qualifications for every cohort.

The Trust continues to promote robust and proper business and financial management and the CFO continues to be 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 continue to benefit from the expertise of its Finance, HR, governance and project management professionals, which are also at sector leading standards.

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.
- Teaching School Hub performance in line with or above KPIs agreed with DfE.
- 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%. GAG is the main source of income for schools within The Tenax Schools Trust, with other sources of income, such as Pupil Premium and PE/Sport Premium varying according to factors such as the number and age of pupils and geographic location. Going forward, the Teachers' Pay Grant will be included in GAG income.
- 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 level of which will depend upon the size and phase of the school and will be determined in consultation with the CFO.

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

Going concern

After making appropriate enquiries 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.

Promoting success of the company

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 charitable 'object' (the purpose) of the Trust: to advance education in the public interest; and to respect and safeguard the character of this Trust as a Church of England Trust
- The Nolan Principles of Public Life
- The responsibilities of Trustees as directors under company law and Trustees under charity law
- The interests of the Trust and its stakeholders in their decision making including pupils and their parents, its employees, local communities and government and making decisions that are right for the communities and children they serve.

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Trustees' Report (continued)
For the year ended 31 August 2022

Financial review

At 31 August 2022, total funds comprised £29,296,477 (2021: £22,906,179) consisting of unrestricted funds of £2,689,558 (2021: £2,142,614) and a restricted fund deficit of £243,321 (2021: £6,176,160).

The in-year loss before actuarial losses on defined benefit pension scheme for the reporting year is £646,702 (2021: surplus of £740,407) considerably less than last year which included Condition Improvement Funding for various capital projects and a substantial donation of assets (from the EFSA and Local Authority) The relevant depreciation of the associated assets has been charged to the Statement of Financial Activities.

The figure of £4.5 million for cash at bank and in hand recorded at the balance sheet date reflected the fact that the Academy Trust was holding funds received in advance of the 2022/2023 financial year, including School Condition Allocation funding, universal infant free school meals and contributions towards trips and other activities and other creditor accruals. Prioritisation of SCA is agreed by the Finance, Audit and Risk Committee, through consideration of the Trust Forward Management Asset Plan (FAMP), including areas identified through condition surveys as requiring urgent or essential work.

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

The deficit of £704,000 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 26. 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.

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. A target reserve figure is agreed annually by Trustees and monitored regularly by the Finance, Audit and Risk Committee in the light of prevailing circumstances.
- 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 the discretion of the school in agreement with the CFO.
- Ensures schools are maintaining balanced 3 year budgets.
- 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 all-weather 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 the ongoing COVID-19 pandemic and in the light of increasing operating costs and wider effects of the cost-of-living crisis during 2022 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

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

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Trustees' Report (continued)
For the year ended 31 August 2022

- 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 the ongoing COVID-19 pandemic or the cost-of-living crisis.

Principal risks and uncertainties

The Trust practises 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 implemented are proportionate 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. It has assessed the major risks and uncertainties to which the academy trust is exposed, in particular:

- Failure to comply with statutory safeguarding requirements. This has been addressed by reviewing and improving controls in place including defined roles and responsibilities for safeguarding responsibilities; Designated Safeguarding Leads and nominated governors completing at least an annual report to the LGB; and external reviews carried out on safeguarding policy and practice
- Insufficient cash reserves driven by increasing costs and/or strain on school funding. This is mitigated by robust financial planning systems to match resources to priorities, and cautious budgeting; discipline and restraint in pay policy to ensure value for money in staff salary costs; scale benefits, shared resourcing and efficiencies through benefits of Trust working
- IT breach resulting in confidential data theft or corruption. This is being mitigated by disaster recovery plans and cyber response plans in place, robust and tested IT security procedures in place, and training on data protection awareness and cyber security practice delivered to all staff at least annually

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.

This year, once again, 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, as well as the impact of rapidly increasing operational costs and other external factors arising from the cost-of-living crisis.

- Inflationary pressures on the operating cost base
- The potential impact upon the mental health and well-being of employees – mitigated by range of measures to monitor, discuss and support employees' mental health.

Fundraising

The Trust recognises the vital contribution made by its supporters, with voluntary donations accounting for approximately 0.51% 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.

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Trustees' Report (continued)
For the year ended 31 August 2022

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 ongoing 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.

Streamlined Energy and Carbon Reporting

As the Trust is classed as a large company, our Streamlined Energy and Carbon Report is shown below, along with a comparison with last year's report. The overall emissions figure is 0.20 tonnes CO₂e per pupil. As a comparison, 42% of all Trusts are within the bracket of 0.2 to 0.3 tonnes per pupil. The pupil numbers in the calculation are from the October 2021 census and include the Jarvis Brook nursery, as the nursery building is included in the energy usage calculation.

In the last year, transport fuel costs have increased reflecting increases in business mileage and use of school mini buses, following the COVID restrictions of the previous year. However, overall energy consumption has reduced. During the next year, we plan to commission energy audits in all schools in order to identify further opportunities to reduce consumption. We continue to invest in LED lighting in schools, and to encourage reduction in travel between sites where possible, for example through flexible working and use of video conferencing. We have also submitted a bid for funding from the Public Sector Decarbonisation Scheme to support a boiler replacement project in one of our primary schools, and another of our schools is participating in a DfE Low Carbon Heating Pilot programme.

Trustees' Report (continued)
For the year ended 31 August 2022

Tenax Schools Trust Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for 1 September 2021 to 31 August 2022

Trust data from 2020/21 is provided for comparison purposes	Current reporting year 2021/22	Comparison reporting year 2020/21
Energy consumption used to calculate emissions (kWh)	3,365,893	3,927,481
Gas [kWh]	1,889,538	2,358,690
Oil [kWh]	439,987	470,981
Electricity [kWh]	1,006,926	1,093,345
Transport Fuel [kWh]	29,442	4,465
Scope 1 direct green house gas (GHG) emissions in metric tonnes CO₂e	460.65	549.06
Gas consumption	344.92	432.02
Oil consumption	108.58	116.22
Owned transport – mini-buses	7.16	0.82
Scope 2 energy indirect emissions in metric tonnes CO₂e	194.72	232.15
Purchased electricity	194.72	232.15
Scope 3 other indirect emissions in metric tonnes CO₂e	1.05	0.29
Business travel in employee owned vehicles	1.05	0.29
Total gross emissions in metric tonnes CO₂e	656.42	781.50
Total number of students within the trust October 2021	3,309.00	3,163.00
Intensity ratio Tonnes CO₂e per pupil	0.20	0.25

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

The Tenax Schools Trust
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Trustees' Report (continued)
For the year ended 31 August 2022

Measures planned to improve energy efficiency in the next 12 months

We have continued to utilise video conferencing in order to reduce the need for travel between sites.

We are commissioning energy audits in all schools in order to identify opportunities for reductions in energy consumption.

We have submitted a bid for funding from the Public Sector Decarbonisation Scheme to replace an old boiler with a low carbon alternative.

We are investing in LED lighting in Trust schools.

Plans for future periods

The Trust's ethos and strategic aims are set out above. As well as prioritising the development of our schools' distinctive ethos, these aims envisage further sustainable growth in the size and number of academies. As it continues to grow, the Trust will both continue to make the case locally and nationally for Church of England schools, and fulfil its mission to incorporate non-denominational schools which share the Trust's values and approach to education.

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.

Through the work of The Kent Teaching School Hub, and our partnership with the Ambition Institute, the Trust will continue to develop its delivery of the Early Career Framework and reformed National Professional Qualifications, and we will continue actively to promote teacher development opportunities through the Trust and more widely.

As our communities recover from the Covid-19 pandemic and live through the challenges of rising costs of living, we will do all we can to support pupils and families to access the fullest possible range of educational opportunity.

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.

Disclosure of information to auditors

Insofar as the Trustees are aware:

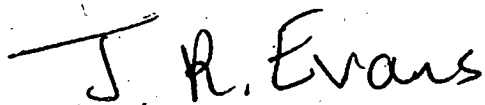
- There is no relevant audit information of which the charitable company's auditors are unaware, and
- That Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 Tenax Schools Trust
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Trustees' Report (continued)
For the year ended 31 August 2022

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J. R. Evans'. The signature is written in a cursive style with a long horizontal stroke at the beginning.

Lady (Jacqueline) Evans
Chair of Trustees

The Tenax Schools Trust
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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.

The Tenax Schools Trust
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Governance Statement (continued)

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 7 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	7	7
Mr Matthew Bedford	6	7
Lady (Jacqueline) Evans, Chair	7	7
Mr Trevor Cristin	7	7
Mr Simon Curtis	7	7
Mr David Godfrey	6	7
Mrs Gillian Lloyd (Hargreaves)	7	7
Mr David Ralph, Vice-Chair JP	7	7
Ms Cherie Sargent (retired 31/08/2022)	7	7
Mr James Shaw Hamilton *	2	3

Mrs Catherine Dottridge (CFO) was in attendance 6 of the 7 meetings in the year.

* Term of office ended on 19/03/2022.

The Board of Trustees returned to meeting in person during the year under review, as Covid restrictions eased. Local Governing Bodies also returned to meeting in person and the programme of regular, in-person Governor visits to schools was reinstated.

The Board of Trustees met 7 times during the course of the year under review, with 5 out of 7 meetings being held in person and the remaining 2 being held virtually. This included an extraordinary meeting in July 2022, to review the findings of the external review of governance, which had been foreseen by the Board of Trustees but delayed due to the Covid-19 pandemic. The external review of governance was commissioned by the Board of Trustees and undertaken by the Confederation of School Trusts during the period May-June 2022.

Mr James Shaw Hamilton stepped down as Trustee at the end of his term of office on 19th March 2022 and as a Local Governor at Bennett Memorial at the end of the academic year. The Trust is grateful to Mr Shaw Hamilton for his work, both as Trustee and Governor, particularly as a member of the Teacher Training & Development Committee.

Miss Cherie Sargent retired on 31st August 2022, after many years of service as Governor and Trustee.

Conflicts of Interest

The Board of Trustees has an established procedure for the identification and management of potential conflicts of interest, including, but not limited to, the maintenance of up-to-date declarations and registers of business interests for Local Governors, Trustees and Members, which are published on the Trust website and on individual school websites, as appropriate. Opportunity is provided at every meeting of the Trust Board, its Committees and Local Governing Body meetings, for Trustees and Local Governors to declare any new interests, changes to previously declared interests or interests against specific items on the agenda for that meeting. Where possible conflicts of interest are identified, Trustees and Local Governors will, as deemed appropriate by other Trustees, Committee members or Local Governors, not participate in discussion and voting on the relevant business item, or will withdraw from the relevant section of the meeting. In addition, the registers of business interests of each Local Governing Body and of the Trust Board are reviewed annually by Chairs and Clerks of Local Governing Bodies; by the Finance, Audit & Risk Committee in order to identify and mitigate any potential conflicts of interest.

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Governance Statement (continued)

Governance (continued)

Governance review

The Trust commissioned an external review of governance, which was undertaken by the Confederation of School Trusts in May 2022. Recommendations resulting from that review were presented to the Trust Board in July 2022 and taken into consideration when undertaking the annual strategic review and review of the remit and composition of the Trust Board and its committees in September 2022. A Trustee and Local Governor recruitment drive, recommended by the external governance review but also planned by the Trust, as part of its succession planning process, is underway.

Committees of the Board of Trustees

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

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)	3	3
Mr Matthew Bedford	3	3
Mr David Godfrey	3	3
Lady (Jacqueline) Evans (audit only)	1	1
Mrs Catherine Dottridge (CFO)*	3	3

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

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

Mrs Pauline Barritt (Group Financial Controller) was in attendance at all meetings of the Finance, Audit and Risk Committee.

Mrs Anne Gibbins (Business Development Manager) attended the part of each meeting where matters relating to School Condition Allocation were considered.

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
Ms Cherie Sargent (Chair of Committee) (retired 31/08/2022)	3	3
Mr Simon Curtis	3	3
Mr Trevor Cristin	3	3
Lady (Jacqueline) Evans	3	3

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Governance Statement (continued)

Governance (continued)

The Teacher Training and Development Committee is a sub committee of the Board of Trustees. Attendance at Teacher Training and Development Committee meetings in the year was as follows:

Member	Meetings attended	Out of a possible
Mr David Godfrey (Chair of Committee)	3	3
Mr David Ralph JP	3	3
Mr James Shaw Hamilton (Resigned 19/03/2022)	2	2
Mrs Gillian Lloyd (Hargreaves)	3	3
Mr Jon Sparke (Headteacher, Bennett Memorial Diocesan School and Trust Executive Lead for Professional Development)*	3	3

Mr Richard Tyson Director of Teaching School hubs (including Teach Kent & Sussex SCITT, and Kent Teaching School hub) was "in attendance" at all meetings of the Teacher Training & Development Committee.

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)	2	2
Lady (Jacqueline) Evans	2	2
Mr David Ralph JP	2	2
Ms Cherie Sargent (retired 31/08/2022)	2	2

Mr Ian Bauckham and Mrs Claire Isaacs (Director of HR) were also in attendance at both meetings, in an advisory capacity. Mrs Catherine Dottridge (Chief Financial Officer) attended one meeting, in an advisory capacity.

The CEO Performance Management Committee undertakes the annual CEO performance review process taking into account the advice of an external consultant, commissioned for this purpose and recommends to the Pay & HR Committee whether the outcome of the CEO appraisal meets the criteria for pay progression as covered under the adopted pay policy.

Trustee	Meetings attended	Out of a possible
Lady (Jacqueline) Evans	1	1
Mr David Ralph JP	1	1
Mr Simon Curtis	1	1
Ms Cherie Sargent (retired 31/08/2022)	1	1

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Governance Statement (continued)

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

We actively encourage collaboration between schools in order to share best practice in procurement activities, with a focus on value for money. We are also working with a utilities consultancy in order to help us identify potential service improvements and cost reductions, and to support us with navigating the current energy market.

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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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 Audit and Risk 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.

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Governance Statement (continued)

The risk and control framework (continued)

- Clearly defined purchasing guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

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

- Review of previous year findings
- 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.

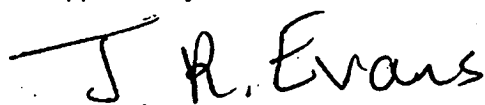
Review of effectiveness

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:

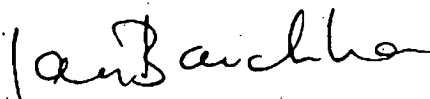
- The work of the internal auditor/reviewer;
- The work of the external auditor;
- The financial management and governance self-assessment process and the school resource management self-assessment tool;
- The work of the executive managers within the academy trust who have responsibility for the development 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 8 December 2022 and signed on their behalf by:



Lady (Jacqueline) Evans
Chair of Trustees



Mr Ian Bauckham CBE
Accounting Officer

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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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2021.

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 Trust Handbook 2021.

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



Mr Ian Bauckham CBE
Accounting Officer
Date: 8 December 2022

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Statement of Trustees' responsibilities
For the year ended 31 August 2022

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:

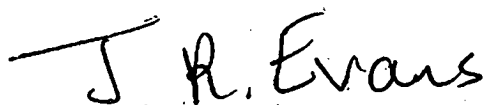
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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: 8 December 2022

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including 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 2021 to 2022 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

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

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Conducting interviews with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including cash, payroll and credit card expenditure; and
- Review of cash and credit card expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Identifying key contracts and confirming that all required procurement and tendering procedures have been followed; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and

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

- Review of internal controls and physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of corporate governance arrangements; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

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.



Simon Webber BA (Hons), DChA, FCA (Senior Statutory Auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury

9 December 2022

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 18 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Tenax Schools Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

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

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

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Kreston Reeves LLP
Reporting Accountant
Chartered Accountants

Date: 9 December 2022

The Tenax Schools Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	4	109,091	-	704,268	813,359	2,000,250
Other trading activities	3	180,637	-	-	180,637	65,558
Investments	7	1,058	-	-	1,058	824
Charitable activities		-	18,374,974	-	18,374,974	17,239,620
Teaching schools		2,500	707,063	-	709,563	1,101,859
Other income	6	1,314,267	-	-	1,314,267	596,350
Total income		1,607,553	19,082,037	704,268	21,393,858	21,004,461
Expenditure on:						
Charitable activities	9	518,164	20,045,037	793,753	21,356,954	19,231,707
Teaching schools	8	-	683,606	-	683,606	1,032,347
Total expenditure		518,164	20,728,643	793,753	22,040,560	20,264,054
Net income/(expenditure)		1,089,389	(1,646,606)	(89,485)	(646,702)	740,407
Transfers between funds	19	(542,445)	542,445	-	-	-
Net movement in funds before other recognised gains/(losses)		546,944	(1,104,161)	(89,485)	(646,702)	740,407
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	7,037,000	-	7,037,000	(434,000)
Net movement in funds		546,944	5,932,839	(89,485)	6,390,298	306,407

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 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
	Note					
Reconciliation of funds:						
Total funds brought forward	19	2,142,614	(6,176,160)	26,939,725	22,906,179	22,599,772
Net movement in funds		546,944	5,932,839	(89,485)	6,390,298	306,407
Total funds carried forward		2,689,558	(243,321)	26,850,240	29,296,477	22,906,179

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

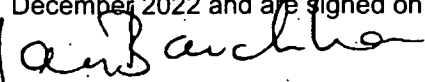
The notes on pages 36 to 67 form part of these financial statements.

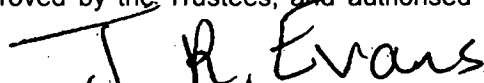
The Tenax Schools Trust
(A Company Limited by Guarantee)
Registered number: 07542155

Balance Sheet
As at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	26,399,906	26,849,177
Current assets			
Debtors	16	699,317	591,939
Cash at bank and in hand		4,536,667	4,303,446
		<u>5,235,984</u>	<u>4,895,385</u>
Liabilities			
Creditors: amounts falling due within one year	17	(1,478,708)	(2,185,708)
		<u>3,757,276</u>	<u>2,709,677</u>
Net current assets			
		<u>30,157,182</u>	<u>29,558,854</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	18	(156,705)	(187,675)
		<u>30,000,477</u>	<u>29,371,179</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	26	(704,000)	(6,465,000)
		<u>29,296,477</u>	<u>22,906,179</u>
Total net assets			
		<u><u>29,296,477</u></u>	<u><u>22,906,179</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	26,850,240	26,939,725
Restricted income funds	19	460,679	288,840
Pension reserve	19	(704,000)	(6,465,000)
		<u>26,606,919</u>	<u>20,763,565</u>
Total restricted funds	19		
Unrestricted income funds	19	2,689,558	2,142,614
		<u>29,296,477</u>	<u>22,906,179</u>
Total funds			
		<u><u>29,296,477</u></u>	<u><u>22,906,179</u></u>

The financial statements on pages 32 to 67 were approved by the Trustees, and authorised for issue on 08 December 2022 and are signed on their behalf, by:


Mr Ian Bauckham CBE
 (Trustee)


Lady (Jacqueline) Evans
 (Chair of Trustees)

The notes on pages 36 to 67 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(401,842)	1,189,447
Cash flows from investing activities	23	662,590	(569,625)
Cash flows from financing activities	22	(27,527)	10,868
Change in cash and cash equivalents in the year		233,221	630,690
Cash and cash equivalents at the beginning of the year		4,303,446	3,673,756
Cash and cash equivalents at the end of the year	24, 25	<u>4,536,667</u>	<u>4,304,446</u>

The notes on pages 36 to 67 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 2022

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 2021 to 2022 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 2022

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.

- **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 2022

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 2022

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:

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 long-term 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.

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2022

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.

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

1.12 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.

Notes to the Financial Statements
For the year ended 31 August 2022

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.

Notes to the Financial Statements
For the year ended 31 August 2022

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.

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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £26,399,906 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

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2022

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

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.

Tangible Fixed Assets

The construction of the building at Bennett Memorial Diocesan School has been included in the financial statements at the costs to 31 August 2021 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 2021.

3. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	158,807	158,807	50,340
Other insurance claims	21,830	21,830	15,218
Total 2022	<u>180,637</u>	<u>180,637</u>	<u>65,558</u>

4. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donated asset from Local Authority	-	-	-	1,365,438
Donations	109,091	-	109,091	318,144
Capital grants	-	704,268	704,268	316,668
Total 2022	<u>109,091</u>	<u>704,268</u>	<u>813,359</u>	<u>2,000,250</u>
Total 2021	<u>318,144</u>	<u>1,682,106</u>	<u>2,000,250</u>	

The Tenax Schools Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2022

5. Funding for the Academy Trust's educational operations

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	15,570,628	15,570,628	14,950,393
Start up grants	16,250	16,250	56,750
Pupil Premium	527,701	527,701	520,889
Universal Infant Free School Meals	202,121	202,121	190,746
PE and Sports Grant	152,721	152,721	95,029
COVID-19 Catch Up Premium	-	-	77,562
Other DfE/ESFA Grants	530,255	530,255	379,558
	16,999,676	16,999,676	16,270,927
Other government grants			
Local Authority grants	1,375,298	1,375,298	968,693
	18,374,974	18,374,974	17,239,620
Total 2022	18,374,974	18,374,974	17,239,620
Total 2021	17,239,620	17,239,620	

In the year to 31 August 2021, Teachers Pay and Teachers Pension grants were presented separately in the financial statements. Following a change to the structure of DfE/ESFA funding in the current year, these two grants are now included as part of the General Annual Grant and are no longer separately identifiable. Therefore the prior year's Teachers Pay and Teachers Pension Grant £723,725 have been amalgamated with the General Annual Grant, for comparative purposes.

6. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Contributions towards school trips	507,502	507,502	140,507
Contributions towards clubs and educational activities	13,867	13,867	5,351
Other incoming resources	792,898	792,898	450,492
Total 2022	1,314,267	1,314,267	596,350

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Notes to the Financial Statements
For the year ended 31 August 2022

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	1,058	1,058	824

8. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Direct costs	11,048,597	-	2,124,713	13,173,310	12,047,634
Allocated support costs	4,722,721	2,056,243	1,505,680	8,284,644	7,262,073
Teaching school	178,618	-	504,988	683,606	1,032,347
	<u>15,949,936</u>	<u>2,056,243</u>	<u>4,135,381</u>	<u>22,141,560</u>	<u>20,342,054</u>
Total 2021	<u>14,517,214</u>	<u>1,738,266</u>	<u>4,086,574</u>	<u>20,342,054</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	13,173,310	8,284,644	21,457,954	19,309,707
Total 2021	<u>12,047,634</u>	<u>7,262,073</u>	<u>19,309,707</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	101,000	101,000	78,000
Staff costs	11,318,133	11,318,133	10,539,249
Educational supplies and services	1,166,180	1,166,180	769,354
Examination fees	206,774	206,774	140,108
Educational consultancy*	302,093	302,093	442,880
Staff development and training	27,404	27,404	20,834
Technology costs	21,005	21,005	54,866
Other direct costs	30,721	30,721	2,343
	13,173,310	13,173,310	12,047,634

*Education consultancy reflects the use of our partner schools and facilitators to support the work of our Teaching School Hub and SCITT, including the delivery of teacher training and professional qualifications and development programmes

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For the year ended 31 August 2022

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	101,000	101,000	78,000
Staff costs	4,321,266	4,321,266	3,702,246
Depreciation	492,002	492,002	508,245
Technology costs	262,636	262,636	180,993
Recruitment and support	30,823	30,823	24,316
Maintenance of premises and equipment	828,149	828,149	676,864
Cleaning	415,462	415,462	370,562
Rates and water	152,601	152,601	409,269
Energy costs	666,902	666,902	285,594
Insurance	98,977	98,977	94,510
Security and transport	20,124	20,124	45,031
Catering	445,585	445,585	357,450
Governance costs	89,020	89,020	65,590
Other support costs	360,097	360,097	354,722
CIF expenditure - roof repairs	-	-	108,681
	8,284,644	8,284,644	7,262,073

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	74,312	74,547
Depreciation of tangible fixed assets	492,007	494,590
Fees paid to external auditors for:		
- audit	28,200	21,500
- other services	2,750	3,900

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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	11,048,597	10,359,471
Social security costs	1,120,060	926,342
Pension costs	3,602,661	3,048,946
	<u>15,771,318</u>	<u>14,334,759</u>
Agency staff costs	174,618	182,455
Severance payments	4,000	-
	<u><u>15,949,936</u></u>	<u><u>14,517,214</u></u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	187	176
Administration and support	261	228
Management	21	24
	<u>469</u>	<u>428</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	158	153
Administration and support	150	138
Management	20	21
	<u>328</u>	<u>312</u>

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Notes to the Financial Statements
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11. Staff (continued)

c. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	6	5
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	2	1
In the band £110,001 - £120,000	-	1
	=====	=====

The above employees participated in the Teachers' Pension scheme and the Local Government Pension Scheme. Contributions during the year ended 31 August 2022 amounted to £193,006 towards the Teachers' Pension Scheme (2021: £167,697) and £19,589 towards the Local Government Pension Scheme (2021: £18,150).

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 £352,734 (2021: £367,690). Employer pension contributions were a total of £81,389 (2021: £88,477) and employer national insurance contributions were a total of £45,249 (2021: £45,418).

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Notes to the Financial Statements
For the year ended 31 August 2022

12. Central services

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

- Educational support services
- Finance and business 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.

The actual amounts charged during the year were as follows:

	2022 £	2021 £
Bennett Memorial Diocesan School	308,416	292,033
Bishop Chavasse CE Primary School	40,673	30,539
Brenchley and Matfield CE Primary School	24,968	23,950
Fordcombe CE Primary School	15,530	15,554
Jarvis Brook Primary School	21,037	21,447
Leybourne Ss Peter and Paul CE Primary School	29,668	28,088
SCITT	18,471	18,993
Sir Henry Fermor CE Primary School	52,044	49,630
West Malling CE Primary School	28,666	29,671
Total	539,473	509,905

13. Trustees' remuneration and expenses

One Trustee has been paid remuneration or has received other benefits from an employment with the Academy Trust. The CEO only receives remuneration in respect of services they provide undertaking the roles of principal under their contract of employment. The value of Trustees' remuneration and other benefits was as follows:

		2022 £	2021 £
Mr Ian Bauckham CBE, CEO	Remuneration	100,000 -	110,000 -
		105,000	115,000
	Pension contributions paid	20,000 -	25,000 -
		25,000	30,000

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

Notes to the Financial Statements
For the year ended 31 August 2022

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.

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15. Tangible fixed assets

	Freehold land and property £	Long-term leasehold land and property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2021	4,019,000	23,620,140	357,188	638,679	3,988	28,638,995
Additions	-	-	42,736	-	-	42,736
At 31 August 2022	4,019,000	23,620,140	399,924	638,679	3,988	28,681,731
Depreciation						
At 1 September 2021	-	964,003	200,719	621,109	3,987	1,789,818
Charge for the year	-	415,454	58,983	17,569	1	492,007
At 31 August 2022	-	1,379,457	259,702	638,678	3,988	2,281,825
Net book value						
At 31 August 2022	4,019,000	22,240,683	140,222	1	-	26,399,906
At 31 August 2021	4,019,000	22,656,137	156,469	17,570	1	26,849,177

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16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	34,286	1,659
VAT recoverable	224,222	161,515
Prepayments and accrued income	440,809	428,765
	<u>699,317</u>	<u>591,939</u>

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	14,445	11,002
Trade creditors	3,149	51,719
Other taxation and social security	229,630	216,887
Pension fund loan payable	166,062	171,357
Other creditors	2,669	3,025
Accruals and deferred income	1,062,753	1,731,718
	<u>1,478,708</u>	<u>2,185,708</u>

	2022 £	2021 £
Deferred income at 1 September 2021	755,434	203,547
Resources deferred during the year	401,030	755,434
Amounts released from previous periods	(755,434)	(203,547)
	<u>401,030</u>	<u>755,434</u>

At the balance sheet date the Academy Trust was holding funds received in advance of the 2022/23 financial year in respect of School Condition Allowance Funding, free school meals and contributions towards trips and other activities.

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

	2022	2021
	£	£
Other loans	156,705	187,675

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, Brenchley and Matfield CE Primary School and Sir Henry Fermor CE Primary School.

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

	2022	2021
	£	£
Payable or repayable by instalments	100,150	42,748
	100,150	42,748

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Notes to the Financial Statements
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19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	2,142,614	1,607,553	(518,164)	(542,445)	-	2,689,558
Restricted general funds						
General Annual Grant (GAG)	177,931	15,558,856	(15,993,211)	535,811	-	279,387
Other DfE/ESFA grants	-	1,429,048	(1,429,048)	-	-	-
Other Government grants	-	1,375,298	(1,381,932)	6,634	-	-
SCITT	110,909	718,835	(648,452)	-	-	181,292
Pension reserve	(6,465,000)	-	(1,276,000)	-	7,037,000	(704,000)
	<u>(6,176,160)</u>	<u>19,082,037</u>	<u>(20,728,643)</u>	<u>542,445</u>	<u>7,037,000</u>	<u>(243,321)</u>
Restricted fixed asset funds						
General Fixed Asset Fund	26,849,179	-	(492,002)	11,000	-	26,368,177
DfE/ESFA capital grants	90,546	704,268	(301,751)	(11,000)	-	482,063
	<u>26,939,725</u>	<u>704,268</u>	<u>(793,753)</u>	<u>-</u>	<u>-</u>	<u>26,850,240</u>
Total Restricted funds	<u>20,763,565</u>	<u>19,786,305</u>	<u>(21,522,396)</u>	<u>542,445</u>	<u>7,037,000</u>	<u>26,606,919</u>
Total funds	<u><u>22,906,179</u></u>	<u><u>21,393,858</u></u>	<u><u>(22,040,560)</u></u>	<u><u>-</u></u>	<u><u>7,037,000</u></u>	<u><u>29,296,477</u></u>

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

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.

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 2022/2023.

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 2022.

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

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2021 £
Unrestricted funds					
General Funds	2,261,224	980,910	(59,923)	(1,039,597)	2,142,614
Restricted general funds					
General Annual Grant (GAG)	48,404	14,226,702	(14,578,396)	481,221	177,931
Other DfE/ESFA grants	-	2,044,225	(2,044,225)	-	-
Other Government grants	-	968,693	(968,693)	-	-
SCITT	60,390	1,101,859	(1,051,340)	-	110,909
Pension reserve	(5,105,000)	-	(926,000)	(434,000)	(6,465,000)
	<u>(4,996,206)</u>	<u>18,341,479</u>	<u>(19,568,654)</u>	<u>47,221</u>	<u>(6,176,160)</u>
Restricted fixed asset funds					
General Fixed Asset Fund	25,104,866	1,365,438	(508,245)	887,120	26,849,179
DfE/ESFA capital grants	229,888	316,668	(127,266)	(328,744)	90,546
	<u>25,334,754</u>	<u>1,682,106</u>	<u>(635,511)</u>	<u>558,376</u>	<u>26,939,725</u>
Total Restricted funds	<u>20,338,548</u>	<u>20,023,585</u>	<u>(20,204,165)</u>	<u>605,597</u>	<u>20,763,565</u>
Total funds	<u><u>22,599,772</u></u>	<u><u>21,004,495</u></u>	<u><u>(20,264,088)</u></u>	<u><u>(434,000)</u></u>	<u><u>22,906,179</u></u>

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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Bennett Memorial Diocesan School*	1,309,553	1,124,141
Bishop Chavasse CE Primary School**	458,752	299,057
Brenchley and Matfield CE Primary School***	350,904	296,719
Fordcombe CE Primary School	26,570	13,692
Jarvis Brook Primary School	136,998	150,767
Leybourne Ss Peter and Paul CE Primary School	104,457	71,558
SCITT	181,292	110,909
Sir Henry Fermor CE Primary School	276,105	127,609
Tenax Schools Trust****	206,600	146,786
West Malling CE Primary School	99,006	90,216
Total before fixed asset funds and pension reserve	3,150,237	2,431,454
Restricted fixed asset fund	26,850,240	26,939,725
Pension reserve	(704,000)	(6,465,000)
Total	29,296,477	22,906,179

*This includes a designated contribution to KCC for the expansion project, the 3G sinking fund and fee income for the delivery of the Early Career Framework and National Professional Qualifications for teachers and leaders

**This includes additional funding to support the status of growing free school.

***This includes accumulation of reserves for school premises improvement delayed due to COVID.

****This includes an academy conversion support grant received for a school to join the Trust and remaining School Capital Allocation Funds.

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19. Statement of funds (continued)

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 2022 £	Total 2021 £
Bennett Memorial Diocesan School	6,490,974	1,454,448	1,258,708	1,599,086	10,803,216	9,936,988
Bishop Chavasse CE Primary School**	916,673	117,253	60,834	325,720	1,420,480	991,389
Brenchley and Matfield CE Primary School***	665,564	56,527	69,704	161,345	953,140	835,474
Fordcombe CE Primary School	422,991	55,957	33,676	100,605	613,229	564,644
Jarvis Brook Primary School	533,648	170,475	34,451	105,899	844,473	852,343
Leybourne Ss Peter and Paul CE Primary School	736,136	103,833	50,805	155,245	1,046,019	972,866
SCITT	315,150	-	346,155	28,621	689,926	1,032,347
Sir Henry Fermor CE Primary School	1,282,900	146,311	86,120	309,995	1,825,326	1,716,704
Tenax Schools Trust	166,352	1,402,864	25,354	366,766	1,961,336	1,598,873
West Malling CE Primary School	842,424	174,132	73,777	200,529	1,290,862	1,254,181
Academy Trust	12,372,812	3,681,800	2,039,584	3,353,811	21,448,007	19,755,809

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Notes to the Financial Statements
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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	26,399,906	26,399,906
Current assets	2,689,558	2,096,092	450,334	5,235,984
Creditors due within one year	-	(1,478,708)	-	(1,478,708)
Creditors due in more than one year	-	(156,705)	-	(156,705)
Provisions for liabilities and charges	-	(704,000)	-	(704,000)
Total	2,689,558	(243,321)	26,850,240	29,296,477

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	26,849,177	26,849,177
Current assets	2,225,908	2,578,929	90,548	4,895,385
Creditors due within one year	-	(2,185,708)	-	(2,185,708)
Creditors due in more than one year	(83,294)	(104,381)	-	(187,675)
Provisions for liabilities and charges	-	(6,465,000)	-	(6,465,000)
Total	2,142,614	(6,176,160)	26,939,725	22,906,179

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Notes to the Financial Statements
For the year ended 31 August 2022

21. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(646,702)	740,407
Adjustments for:		
Depreciation	492,007	508,245
Capital grants from DfE and other capital income	(704,268)	(316,668)
Interest receivable	(1,058)	(824)
Defined benefit pension scheme cost less contributions payable	1,175,000	848,000
Defined benefit pension scheme finance cost	101,000	78,000
(Increase)/decrease in debtors	(107,378)	188,380
(Decrease)/increase in creditors	(710,443)	509,345
Assets donated from ESFA / Local Authority	-	(1,365,438)
Net cash (used in)/provided by operating activities	(401,842)	1,189,447

22. Cash flows from financing activities

	2022 £	2021 £
Cash inflows from new borrowing	-	28,153
Repayments of borrowing	(27,527)	(17,285)
Net cash (used in)/provided by financing activities	(27,527)	10,868

23. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	1,058	824
Purchase of tangible fixed assets	(42,736)	(887,117)
Capital grants from DfE Group	704,268	316,668
Net cash provided by/(used in) investing activities	662,590	(569,625)

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24. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	4,536,667	4,304,446
Total cash and cash equivalents	4,536,667	4,304,446

25. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	4,303,446	233,221	4,536,667
Debt due within 1 year	(182,359)	1,852	(180,507)
Debt due after 1 year	(187,675)	30,970	(156,705)
	3,933,412	266,043	4,199,455

26. 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 £166,062 were payable to the schemes at 31 August 2022 (2021 - £150,439) and are included within creditors.

Teachers' Pension Scheme

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

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

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26. Pension commitments (continued)

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 2024.

The employer's pension costs paid to TPS in the year amounted to £1,766,718 (2021 - £1,639,332).

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.

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 2022 was £845,000 (2021 - £717,000), of which employer's contributions totalled £651,000 (2021 - £546,000) and employees' contributions totalled £194,000 (2021 - £171,000). The agreed contribution rates for future years are 20.0 (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 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.

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

Principal actuarial assumptions

Kent County Council Pension Fund

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.90
Rate of increase for pensions in payment/inflation	2.95	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
Retiring today		
Males	21.0	21.6
Females	23.5	23.6
Retiring in 20 years		
Males	22.3	22.9
Females	24.9	25.1

East Sussex County Council Pension Fund

	2022	2021
	%	%
Rate of increase in salaries	2.90	2.90
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
Retiring today		
Males	21.2	21.2
Females	23.8	23.7
Retiring in 20 years		
Males	22.1	22.0
Females	25.1	25.1

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26. Pension commitments (continued)

Sensitivity analysis

Kent County Council Pension Fund

	2022	2021
	£000	£000
Discount rate -0.1%	174,000	271,000
Mortality assumption - 1 year increase	221,000	481,000
Pension rate +0.1%	162,000	268,000

East Sussex County Council Pension Fund

	2022	2021
	£000	£000
Discount rate -0.1% (2021 -0.5%)	43,000	71,000
Salary rate +0.1% (2021 +0.5%)	2,000	4,000
Pension rate +0.1% (2021 +0.5%)	40,000	67,000

Share of scheme assets

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

	At 31 August 2022	At 31 August 2021
	£	£
Equities	5,961,000	5,561,000
Gilts	43,000	39,000
Corporate bonds	1,205,000	1,198,000
Property	1,010,000	823,000
Cash and other liquid assets	162,000	212,000
Target return portfolio	531,000	480,000
Total market value of assets	8,912,000	8,313,000

The actual return on scheme assets was £-70,000 (2021 - £1,005,000).

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

	2022	2021
	£	£
Current service cost	(1,821,000)	(1,389,000)
Interest income	143,000	113,000
Interest cost	(244,000)	(191,000)
Administrative expenses	(5,000)	(5,000)
Total amount recognised in the Statement of Financial Activities	(1,927,000)	(1,472,000)

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

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

	2022 £	2021 £
At 1 September	14,778,000	11,838,000
Interest cost	244,000	191,000
Employee contributions	194,000	171,000
Actuarial (gains)/losses	(6,998,000)	1,506,000
Benefits paid	(180,000)	(137,000)
Current service costs	1,821,000	1,389,000
Change in demographic assumptions	(252,000)	(180,000)
At 31 August	9,607,000	14,778,000

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

	2022 £	2021 £
At 1 September	8,313,000	6,733,000
Interest income	143,000	113,000
Actuarial (losses)/gains	(213,000)	892,000
Employer contributions	651,000	546,000
Employee contributions	194,000	171,000
Benefits paid	(180,000)	(137,000)
Administration expenses	(5,000)	(5,000)
At 31 August	8,903,000	8,313,000

27. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	53,199	36,738
Later than 1 year and not later than 5 years	84,895	60,385
Later than 5 years	2,682	-
	140,776	97,123

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28. 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.

29. 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 Academy Trust 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:

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 £38,300 (2021: £41,580) was received from the Bennett Memorial Diocesan School Charity as a contribution towards the chaplain salary and other general charity administration expenses. During the year, £3,000 was received from the Charity towards Founders' Day, and £3,860 was received towards the administration costs. During the prior year, £75,000 was received from the charity for lighting and seating in hall in the new Rochester building.

30. 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.