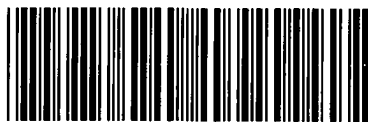


**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	Ms A Andrews (resigned 8 December 2021) Ms K Bahia Mr P Trincas Reverend M Bennet Mr M Cole Dr L M Harwood (appointed 1 September 2022)
<b>Trustees</b>	Mr M Cole, Chair of Trustees <sup>1</sup> Reverend M Bennet, Vice Chair of Trustees <sup>1</sup> Mr N Cornish <sup>2</sup> Mrs E Ebdon (resigned 1 December 2021) Mrs M Hanbuerger (appointed 19 January 2022) Mrs M Harrison Mr K Hillerton (resigned 31 August 2022) Mrs E Hunt (appointed 19 January 2022) <sup>1</sup> Mr A James <sup>2</sup> Mr M Keogh <sup>1</sup> Mr N Margeson <sup>2</sup> Mrs G Piper, Chief Executive Officer and Accounting Officer <sup>1,2</sup>  <sup>1</sup> Member of the Finance Committee <sup>2</sup> Member of the Risk Committee
<b>Company registered number</b>	07543874
<b>Company name</b>	Kennet School Academies Trust
<b>Principal and registered office</b>	Stoney Lane Thatcham Berkshire RG19 4LL
<b>Senior management team</b>	Mrs G Piper, CEO and Accounting Officer Mr M Davies (appointed 25 April 2022, resigned 31 August 2022) Mrs T Dowling (resigned 24 April 2022) Mrs L Gow Mrs G Ronksley Mr C Adams Mr G Clegg Mrs K Odenwalder Mr M Irving Mrs M Phillips Mrs Y Standing Miss E Hobbs Mr S Martin Mrs J Dixon (appointed 1 September 2021)

**KENNET SCHOOL ACADEMIES TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

<b>Independent auditors</b>	Cooper Parry Group Limited Chartered Accountants Statutory Auditor Cubo Birmingham Office 401, 4th Floor Two Chamberlain Square Birmingham B3 3AX
<b>Bankers</b>	HSBC 6 Northbrook Street Newbury Berkshire RG14 1DJ
<b>Solicitors</b>	Veale Wasbrough Vizards LLP Orchard Court Orchard Lane Bristol BS1 5WS

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a strategic report, under company law.

The Academy Trust operates 2 primary Academies and 1 secondary Academy, all serving a catchment area centred in Thatcham and its surrounding villages, combined it has a pupil capacity of 2,867 and 2,823 pupils enrolled across the Academies based on the October 2022 Census.

**Structure, governance and management**

**a. Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Kennet School Academies Trust. Details of the Trustees who served throughout the year and to the date the approval of this report and the financial statements are included in the Reference and Administrative Details on page 1.

**b. 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.

**c. Trustees' indemnities**

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. The scheme protects Members, Trustees and the Local Governing Body members from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

**d. Method of recruitment and appointment or election of Trustees**

The Academy Trust appoints Trustees through a number of routes having determined the skillset it seeks to complement the existing Board and these include the local area, professional bodies and matching services such as Academy Ambassadors.

**e. Policies adopted for the induction and training of Trustees**

All Trustees are inducted to the Trust through a programme led by the Chair of Directors and the Chief Executive Officer (CEO) and this includes safeguarding training for all involved in governance and safer recruitment training for those involved in appointing staff.

**f. Organisational structure**

The Trustees have three core governance functions: ensuring clarity of vision, ethos and strategic direction. They hold the CEO accountable and oversee both the educational outcomes and financial performance of the schools within the Trust. As academy trusts are all charitable companies, the Trustees must also ensure that they comply with company law requirements. They are also responsible to the Secretary of State, for operating the Trust for the public benefit and for compliance with statutory legislation including charities legislation.

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Structure, governance and management (continued)**

The Trustees' role is largely strategic and as Trustees they have duties and responsibilities towards the management of the Trust and its finances. The Trustees have a schedule of agreed delegated powers and duties to Committees which are reviewed annually. The Trustees are very clear that this delegation is not one of responsibility and that there are also some items which they may not delegate; termed Reserved Matters.

The Board of Trustees meet at least 3 times a year as a full Board and in 2021-22 met 3 times with a further meeting held to consider a growth proposal which the Board determined not to progress. In addition work was progressed by Directors through termly meetings of its Committees and monthly Finance Management Meetings. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports from the Committees and policies for review and approval. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chairs of the Committees.

The Board of Trustees may from time to time establish working sub-groups of Directors to perform specific tasks over a limited timescale. In 2021-22 a sub-group of Directors supported by external HR advice was established to review the Leadership structure of the Trust. This work led to the Trust moving from having an Executive Head of the Trust who is also Headteacher at the secondary school to separating and investing in having a CEO of the Trust and a Headteacher to align the Trust ready for further growth.

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The Trustees in 2021-22 had 7 Committees as follows:

- Finance
- Risk
- Safeguarding
- Staffing
- Local Governing Boards for each of the 3 Academies; Kennet, Whitelands and Francis Baily.

Each Committee has its own terms of reference detailing membership and a scheme of delegation listing the responsibilities discharged to it by the Directors.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its Committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the CEO.

The Trustees have devolved the day-to-day management of the Academy Trust to the Senior Leadership Team ('SLT'), which is led by the CEO and comprises the Headteachers in each school, Deputy an Assistant Headteachers. The CEO is the Academy Trust's Accounting Officer and has overall responsibility for the day-to-day financial management of the Academy Trust and is assisted in this role by the Bursar. The SLT implements the policies laid down and approved by the Trustees and reports back to them on these and the Academy Trust's overall performance.

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

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day-to-day basis.

**KENNET SCHOOL ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Structure, governance and management (continued)**

All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. Details of Trustees' remuneration and expenses are disclosed in note 11 of the financial statements respectively.

The pay of the CEO and the Headteachers of the schools are reviewed annually by a sub-committee of the Board of Trustees supported by the respective Chairs of the Local Governing Boards along with external advice, in line with the Academy Trust's pay policy and by reference to published pay scales for both teaching and administrative support staff and available information on similar roles in other similar sized Academy Trusts.

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	-
<b>Percentage of pay bill spent on facility time</b>	<b>£000</b>
Total cost of facility time	273
Total pay bill	13,019,054
Percentage of total pay bill spent on facility time	0.002 %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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**i. Related parties and other connected charities and organisations**

There are no related parties or connected organisations which either control or significantly influence the decisions and operations of the Academy Trust.

The Academies in the Trust benefit enormously from the activities and donation of funds raised by the volunteers that comprise Kennet PTA (registered charity number 1106961), Friends of Kennet Music (FoKM), Friends of Whitelands (FoW) and Francis Baily PTA. All are unincorporated charities. The officers or trustees are not appointed by the Academy Trust or Academy Trustees and they are not directed by or accountable to the Trustees of the Academy Trust. This means the Trustees do not consider the charity to be a connected charity. The donations and contributions to support particular projects are to the benefit of the pupils in each of the of the Academies and so are treated as a related party of the Academy Trust for the purposes of the financial statements. The Academy Trustees do extend their gratitude and thanks to all parents and staff who contribute their time, willingly and freely, in organising the community events.

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Structure, governance and management (continued)**

The Academy Trust is aware of its responsibilities to declare in advance its intention to enter into or renew any related party transaction and to declare all transactions of any value in its accounts. In 2021-22 there were three such transactions. A sum of £1,187 paid in two transactions of £737 and £450 for the provision of leadership coaching by Dr Elisabeth Crossman a former Director. A sum of £323 was paid to Oakwood Youth Challenge, a climbing centre where the CEO volunteers and which also employs her brother and was booked and used by BTEC Business pupils.

**j. Engagement with employees (including disabled persons)**

The Academy Trust's policy is to consult and discuss with employees, through bi-weekly briefings, all-staff bulletins, meetings and other communications, matters likely to affect employees' interests. During 2020-21 the Academy Trust conducted surveys of all staff through the Sandwell Charter to assure itself of staff's well-being on return to in-person working for the first full academic year post pandemic. The secondary school undertook a very focused survey to engage with staff on their experience of pupils' behaviours on return post pandemic and from those responses has made adjustments both to its Behaviour Policy and approaches from January 2022. Information about matters of concern seeks to achieve a common awareness on the part of all employees of the operating, financial and economic factors affecting the Academy Trust's performance.

During employment, the Trust seeks to work with employees, taking account of their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential and all staff have individual appraisals annually where these matters are raised, views sought and progressed.

The Academy Trust is very aware of its public sector duties under Equalities legislation for all protected characteristics and has a strong Equalities statement as part of its recruitment process. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues with all appropriate reasonable adjustments made and any training arranged. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should as far as possible, be identical to that of other employees..

**Objectives and activities**

**a. Objects and aims**

The principal object of the Academy Trust, as set out in its Articles of Association, is specifically restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. The key aims of the Academy Trust during the year ended 31 August 2022 are summarised below:

- To give every young person in Thatcham and the surrounding areas the opportunity to secure the very best life chances through academic excellence and character development throughout their school journey aged 4 to 18. Every pupil has the right to be inspired to achieve.
- To grow confident individuals who are able to take appropriate risks and continue to love learning throughout their lives. We want every pupil to be excited by their potential whilst harnessing their power for good as a citizen of the world
- To retain a passion for learning at the heart of our trust. We seek to enable our pupils, staff and the local community to take responsibility through respect, determination, and academic curiosity whilst enjoying the benefits of shaping their own future. Horizons are able to be broadened and best practice shared.



**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Objectives and activities (continued)**

The Academy Trust is committed to delivering this vision through every one of its academies and, where appropriate, in conjunction with our other partners in the community.

**b. Objectives, strategies and activities**

The key priorities and activities of the Academy Trust for the year, which are contained in the Academy Trust's Strategic Plan and available on the Academy Trust website, were as follows:

- All academies good or outstanding for progress and outcomes with Ofsted judgements good or better.
- All academies full with pupils on roll greater than 95% of capacity.
- Attendance in all academies above national average
- 80% of pupils continuing in Academy Trust post 16 provision
- Trust reserves equal 3% (+/-0.5%) of total funding in times of financial stability and moving towards 10% (+/-0.5%) in times of financial turbulence.

**c. Public benefit**

The Academy Trust aims to advance for the public benefit education in Thatcham and its surrounding villages, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The details of the particular activities of the Academy Trust during the year and how these have provided public benefit are detailed in the Achievements and Performance section below. The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

**Strategic report**

**Achievements and performance**

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Academy Trust is committed to continual improvement, which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning.

The particular achievements and performance of the Academy Trust during the year ended 31 August 2022 were as follows:

- Following its participation as a mentee in the DfE's Trust to Trust Development Programme the Academy Trust put in place a new Governance reporting structure for LGBs and centralised all Trust Finance meetings which has been incredibly successful and validated with a recruitment, induction and training programme with clear work schedule for all involved in governance.

- The Summer 2022 exam series at secondary have seen strong above national average return at A level and GCSE after 2 years of disruption. The average of all A levels was a B grade, for vocational subjects a Distinction whilst at GCSE the percentage of pupils passing 5+ qualifications including English and Maths was an impressive 74% with 95% of pupils achieving 5+ passes across the board. At both primary and secondary there has been a significant improvement in Maths which was a priority for the Trust over the year.

**KENNET SCHOOL ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Strategic report (continued)**

**Achievements and performance (continued)**

- The Trust has invested in its Estate management significantly in 2021-22 and added 4 successful projects to the 2 in place across the year through the DfE's Condition Improvement Fund (CIF) and also the DfE's Buildings Facilities Improvement Grant (BFIG) to improve the physical learning environment for its pupils. The two that stand out are the building of a new Year 5/6 Block at Francis Baily and a new 6 classroom block for the 2023-24 T Level delivery at Kennet. These two projects involve the decommissioning of 30year + out of life temporary structures and their replacement with purpose built modern efficient buildings.

**a. Key performance indicators**

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2022, the balance of the unrestricted and restricted income reserves was £714k (2021: £625k), which is after transfers of £296k to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers are also a key performance indicator. The pupil numbers at the most recent census were 2,823 which is an increase of 21 pupils from the previous census.

<b>Pupil Numbers</b>	<b>Kennet</b>	<b>Whitelands</b>	<b>Francis Baily</b>
October 2017	1,759	314	-
October 2018	1,818	347	-
October 2019	1,814	341	581
October 2020	1,819	358	586
October 2021	1,878	367	557
October 2020	1,881	393	549
Capacity	1,881	419	567

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 84.1% (2021: 84.5%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 82.7% (2021: 84.1%).

**b. Going concern**

After making appropriate enquiries, gathered evidence and assessing it the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. The Trustees considered and challenged updated forecasts for 2022-23, national funding rates for 2023-24 published by the DfE in July 2022, reserves and cash balances, pupil number projections and wider demographic changes for the Thatcham area. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies within the financial statements.

**c. Promoting the success of the company**

The Trustees are very clear about their duties and have acted in the way which they consider, in good faith, promotes the success of the Academy Trust for the benefit of its pupils and their parents, the Department for Education and the Education and Skills Funding Agency as principal funders and regulators, its suppliers and local wider school community as a whole, and in doing so have given regard to (amongst other matters):

**KENNET SCHOOL ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Strategic report (continued)**

**Achievements and performance (continued)**

Our educational business relationships and community

With a highly committed and dedicated workforce, the Academy Trust takes great pride in listening to what our pupils, parents and local community want and continues to provide the level of education outcomes and results that they have come to expect. The Academy Trust continues to evolve and to adapt to the ever-changing educational environment, leading to the continued increase in the awareness of the Academy Trust's overall activities and educational performance.

As an educational focused charitable organisation, public benefit is also at the heart of all we do. The details in the "Objectives and Activities" and "Achievements and Performance" section of the Trustees' report above provide full details of the impact of our activities and our achievements for the year.

With respect to suppliers, the Academy Trust's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal commercial practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

The Academy Trust is also committed through the Eco schools programme with the secondary achieving Green school status and investment in estate projects to contributing towards combating the threat of global warming by using energy efficient measures to reduce CO2 emissions throughout its buildings, facilities and operations.

Our stakeholders

In addition to our pupils, parents, suppliers and wider local community, the Trustees also recognise the importance of their relationship with the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA), as *principal funders, regulators and stakeholders*. The Trustees are committed to the effective engagement with the DfE and the ESFA (and their representatives) and recognise that its success depends on the Trustees and senior management's ability to engage with them effectively and to work with them constructively, taking into account their guidance and best practice initiatives, whilst also working in line with the specific requirements of the Academy Trust's funding agreement and the Academy Trust Handbook.

Our people

The Academy Trust's key asset is its people. It employs over 400 staff, including agency workers, and it is only through the combined effort of this workforce, together with our supporters and volunteers, that we can change the lives of the children under our care. The Academy Trust encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Trustees' report above.

Our Members

The Trustees are committed to and openly engaged with our Members through regular and effective dialogue with them, including an Annual General Meeting, a further meeting at the end of the academic year to review the year and the strategy and vision day for the coming year as well as attending the annual Trust governance conference. The Members are actively engaged in understanding our strategy and vision for the future, our culture and ethos, our people and our educational performance and standards.

Maintaining a reputation for high standards

The Academy Trust has been in existence for 11 years, and is committed to continual improvement, which it achieves in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

**KENNET SCHOOL ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Strategic report (continued)**

**Achievements and performance (continued)**

The Academy Trust also continually develops strategies to maintain and grow its pupil base, including looking for new schools and academies to join the Trust, and further improve relationships with our suppliers. The information in the "Achievements and Performance" section of the Trustees' report above provide full details of our achievements during the year and the standards of educational performance we have achieved for all our stakeholders.

**Financial review**

For the year ended 31 August 2022, the Academy Trust's total income (excluding capital grants) was £16,448k (2021: £15,553k) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £16,063k (2021: £15,229), resulting in a net operating surplus for the year of £385k (2021: £324k).

After transfers from reserves to fund capital expenditure in the year, the balance of reserves at 31 August 2022, excluding the restricted fixed asset funds and LGPS liability fund was £714k.

The net book value of fixed assets at 31 August 2022 were £27,618k. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £2,672k (2021: £11,312k, which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academy Trust. Further details regarding the deficit in the LGPS at 31 August 2022 are set out in note 25 to the financial statements.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies, DfE's Good Practice Guides and Accounts Direction as well as the Academy Trust Handbook, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, CEO, Headteachers, budget holders and other staff, as well as the delegated authorities for spending.

**a. Reserves policy**

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

Reserves are held by the Trust to ensure it can operate effectively, specifically to:

- meet any emergency or unexpected needs for funds for example: urgent repairs or falls in pupil numbers or staff absence;
- provide time to take action should funding levels fall; and
- provide working capital to cover cashflow variation including covering delays between spending and receipts of grants paid in arrears eg; pupil premium.

As part of the Trust's reserves policy, Trustees give careful consideration to the cash flow implications that arise from increased or decreased contributions to defined benefit pension schemes. Where contributions can be met from projected future income without significant impact on the levels of activity then Trustees will not designate any of their existing funds to meet future pension commitments. Where contribution increases would cause uncertainty or would result in a curtailment of activities, Trustees would seek actuarial and legal advice and prudently create a designation of existing funds.

**KENNET SCHOOL ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

Trustees continue to review reserves at the three schools in the Trust and are very aware of their responsibilities to ensure that the good financial health of the Trust is maintained and recognise the essential role that financial stability plays in the delivery of high quality education. In 2021-22 all academies have added to their reserves.

In the presence of on-going unfunded pressures on employment costs, the Directors remain committed to building the reserves at each school to around 3% (+/- 0.5%) of total funding. This requires Kennet to add to reserves incrementally, for Whitelands Park to add significantly to its reserves and for Francis Bailly to appropriately invest in the school's physical environment and learning resources.

The main driver enabling this is growth in pupil numbers, as detailed above under Key Performance Indicators. Trustees carefully track and respond to any growth or decline in pupil numbers as it is vital to securing financial health alongside careful planning in the delivery of a broad and balanced curriculum at its three schools.

The Academy Trust's current level of operating reserves at 31 August 2022 are £714k (2021: £625k), which is made up of restricted income reserves of £417k (2021: £409k) and unrestricted funds of £297k (2021: £216k). Although the current level of operating reserves is above the target level identified above, the Trustees judiciously ensure any utilisation of these reserves is focused on significant improvements and development of physical learning environments and consider the impact of increases in on-going costs such as the 5% teacher pay settlement announced on 19 July 2022 which was post the Trustee's budget approval seeking to adjust within year to maintain balance and to ensure the Trust's current forecast remains reflective of sector developments.

The value of the restricted fixed asset fund at 31 August 2022 is £28,661k (2021: £26,524k), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust, and the balance of unspent capital grants. These funds can only be realised by disposing of the associated tangible fixed assets or by utilising the amounts of unspent capital grants in line with the terms and conditions of those grants. The unspent capital grants is ring-fenced as contributions towards the Academy Trusts planned CIF and BFIG projects.

The pension reserve fund has a deficit balance at 31 August 2022 of £2,672k, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make additional pension contributions over 21 years to fund the deficit. These additional pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees note that the Government in July 2013 provided a guarantee that in the event of an Academy Trust closure, any outstanding LGPS liabilities would be met by the Department for Education.

**b. Investment policy**

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. Daily this is achieved by holding surplus funds in an overnight deposit account with the Academy Trust's principal bankers.

**c. Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategical development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

The 3 principal risks and uncertainties facing the Academy Trust as identified on its register are as follows:

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

Trust Growth

The Academy Trust is aligned with the DfE agenda and needs to properly resource and prepare for growth that can scale from the existing 3 academy structure that has been in place since 2019 and seeks to grow to be a Trust with a family of 5 schools by 2024 and then to 7 schools by 2030.

IT

A major failure in or impairment in IT systems and their security has significant impact on the everyday work of Academy Trust and this became even more critical as the Trust moved to delivering remote education during the Covid pandemic. The Trustees have engaged an external specialist to undertake an IT Audit for the focus of its programme of internal scrutiny in 2021-22 to ensure that the emerging centralised IT strategy for the Academy Trust is robust and delivering the efficient working practices necessary for the Trust's operations at all levels and in all areas.

Educational/Ofsted

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community. The key risk identified is Ofsted Inspection visits and judgements that are less than good in all areas. Whitelands is the only school within the Academy Trust that has undergone recent Ofsted Inspections with a visit in July 2021 and a subsequent visit in October 2022 where the judgements were Good in all areas.

Continuing increases in employment costs, including unfunded pay increases and pension costs associated with both the Teachers' Pension Scheme and the Local Government Pension Scheme, and premises costs, including the significant impact of energy cost increases, will also continue to place significant pressure on the Academy Trust's financial position and its ability to deliver balance budgets in the future. The Trustees examine the financial health of the Academy Trust formally every month, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance and Resources Committee meetings. At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

**Fundraising**

The Academy Trust raises funds for specific projects that will enhance the learning experience and environment for existing and future students, where funds cannot be accessed via existing channels such as government education funding. Fundraising is primarily undertaken by staff or parents and no professional fundraisers or commercial participators work with the Trust currently.

The Trust does use the Greenham Trust platform which was formed in 1997 and uses its investment in Greenham Business Park and other property assets to generate surplus income for distribution to local good causes. Fundraising is undertaken in line with the Fundraising Regulator's Code of Fundraising Practice and is monitored by the central finance function of the Trust.

The Academy Trust is mindful of the requirement to protect the public, particularly vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate and adheres to the DfE guidance on the matter of charging for school activities. No complaints have been received in respect of fundraising activities and the general complaints policy of the Trust would be applicable if so.

**KENNET SCHOOL ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Streamlined energy and carbon reporting**

The Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	<b>2022</b>	<b>2021</b>
Energy consumption used to calculate emissions (kWh)	2,557,289	2,944,115
<b>Energy consumption breakdown (kWh):</b>		
Gas	1,581,840	2,011,576
Electricity	967,845	930,876
Transport fuel	7,604	1,663
<b>Scope 1 emissions (in tonnes of CO2 equivalent):</b>		
Gas consumption	288.75	368.44
Owned transport	7.60	4.18
<b>Total scope 1</b>	<u>296.35</u>	<u>372.62</u>
<b>Scope 2 emissions (in tonnes of CO2 equivalent):</b>		
Purchased electricity	<u>187.16</u>	<u>197.65</u>
<b>Scope 3 emissions (in tonnes of CO2 equivalent):</b>		
Business travel in employee-owned or rental vehicles	<u>0.02</u>	<u>0.05</u>
<b>Total gross emissions (in tonnes of CO2 equivalent):</b>	<u>483.53</u>	<u>570.32</u>
<b>Intensity ratio:</b>		
Tonnes of CO2 equivalent per pupil	<u>0.17</u>	<u>0.21</u>

The Academy Trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2022 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

The Trust continues to improve the physical learning environment at the schools and have across 2021-22 carried out programmes to upgrade heating and electrical works funded by the DfE's Condition Improvement Fund with contributions from school reserves too. Further projects are planned too that will see the replacement of whole teaching blocks as well as other smaller works.

**KENNET SCHOOL ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Plans for future periods**

The Academy Trust's plans for future periods are to grow the Trust with the aim of growing to 5 academies by 2024 and then to 7 academies by 2030.

The Trust is small and Trustees are keen to see the Trust continue to grow within its local area where there are educational benefits or economies of scale to be gained. The involvement in the DfE's Trust to Trust development programme is a recognition that the Trust has potential to do that.

The immediate short term plan and priority for 2022-23 is to continue to deliver for full educational provision alongside any required recovery curriculum. In parallel the Trust will seek to maximise the synergy and benefits of being a part of a Trust of three schools, specifically focussing on driving improvement within each individual school.

**Funds held as custodian on behalf of others**

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

**Disclosure of information to auditors**

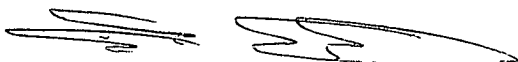
Insofar as the Trustees are aware:

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

**Auditors**

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2022 and signed on its behalf by:



**Mr M Cole**  
Chair of Trustees



**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Kennet School Academies 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 CEO, 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 Kennet School Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 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 M Cole	4	4
Reverend M Bennet	4	4
Mr N Cornish	4	4
Mrs M Hanbuerger	3	3
Mrs M Harrison	3	4
Mr K Hillerton	3	4
Mrs E Hunt	3	3
Mr A James	4	4
Mr M Keogh	4	4
Mr N Margeson	4	4
Mrs G Piper	4	4

During the year ended 31 August 2022, the Board of Trustees reviewed the Academy Trust's governance structure in order to evaluate its impact and effectiveness, and this included undertaking a skills audit. While the Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust, the skills audit identified some gaps in specific skills and as a result, additional Trustees were recruited during the year to further add to the effective governance of the Academy Trust.

Although the Board of Trustees met less than six times during the year, they have maintained effective financial oversight and governance through the formal work undertaken by the Finance Committee and the Risk Committee. These are sub-Committees of the Board of Trustees and they met 5 and 5 times respectively during the year. The responsibilities of and work undertaken by these sub-Committees are detailed further below. The minutes of these sub-Committee meetings are provided to the full Board of Trustees and the Chairs of these sub-Committees report to each full Board of Trustee meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Trustees.

The Academy Trust manages Conflicts of Interest through a Register of Interests and a standing item on every agenda. All Members, Trustees, Local Governors and senior leadership team employees are required to complete a declaration of any business or pecuniary interests on an annual basis or, in the case of individuals taking up these roles during the year, at the point of taking up their role. A register of interests is then maintained by the Academy Trust's Clerks, which is reviewed by the Clerks and CEO.

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

Any transactions with organisations in which any interests have been declared are reported to the Board of Trustees in advance of the transactions, so that formal approval can be provided by the Board where the transaction is considered appropriate and formal notification to the ESFA can then be made, including where relevant, seeking pre-approval.

**Finance Committee**

The Finance Committee is a sub-Committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health & Safety of the Academy Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Cole	4	5
Reverend M Bennet	5	5
Mr M Keogh	5	5
Mrs E Hunt	2	3
Mrs G Piper	4	5

The key issues dealt with by the Finance Committee during the year was the review of the Academy Trust's 3-year financial forecasts focusing on reserves and capital projects and the actions required to address the impact of increased cost pressures expected over this forecast period.

**Risk Committee**

The Risk Committee is also a sub-Committee of the Board of Trustees. Its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. It will report its findings annually to the Board of Trustees and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr A James	5	5
Mr N Margeson	4	5
Mr N Cornish	5	5
Mrs G Piper	5	5

The key issue dealt with by the Risk Committee during the year was risk register and need to progress the on-going programme of internal scrutiny on IT as the key risk identified along with the implementation of actions identified from internal control reviews undertaken in the previous year and the appointment of auditors for 2021-22 as well as recommendations included in the external auditors' management letters from the previous year.

**Review of value for money**

As Accounting Officer, the CEO 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 period, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money (continued)**

The Accounting Officer for the Academy Trust has delivered value for money during the year by:

- Ensuring that priorities in each academy school improvement plan have led to planned purchases and investment to ensure delivery.
- Framework use has been maximised for significant Academy Trust wide procurement.
- The 6th Form offer at Kennet has taken advantage of the new T Level routes for its pupils.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's 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 Kennet School Academies Trust for the period from 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is reviewed at least termly 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 regular monthly financial reports which are reviewed and agreed by the Trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has decided to engage Trident for its programme of internal assurance for the 2021-22 year for the purpose of carrying out an indepth IT Audit in advance of the Trust's planned network consolidation project that will bring all 3 schools together on one IT platform supported by a central IT team.

This option has been chosen as, given the current structure of the Academy Trust, the Board of Trustees believe this provides a robust and best value approach to providing assurance that the Academy Trust's financial and non-financial controls and risk management procedures are operating effectively given the priority that IT has within its risk register and the spend level attached to IT.

**KENNET SCHOOL ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

This assurance work will review internal and external network vulnerability and conduct an Office 365 and other school software security review that will also include a review of utilisation, connectivity, digital safety, infrastructure as well as back up and disaster recovery protocols too. Trident's role includes offering advice and insight to the Board of Trustees on how to address weaknesses in the Trust's IT network and processes as well as evaluating the suitability of, and level of compliance with IT security protocols and identify vulnerabilities. This includes assessing whether procedures are effective and efficient, and checking whether agreed controls and procedures have been followed and identifying key tasks and timescales for the Trust's planned IT network consolidation. Trident have undertaken focused reviews during the year.

Reports are to the Board of Trustees, through the Finance/ Risk Committee / Audit Committee and an annual programme of scrutiny developed for the following year. This will focus on the areas of highest risk identified and control mechanisms to enable the discharge of the Board of Trustees' financial responsibilities. The committee will receive ongoing reports, annually if required, outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and review progress year on year.

Trident has delivered their program of work during the year ended 31 August 2022 as planned. The review found that the Trust network is generally in good order but has risks that should be reviewed as a priority. These were to deploy Multi-Factor Authentication, add an advanced e-mail protection service, remove legacy authentication to Microsoft connections and set permission settings so only authenticated users can access SharePoint. The schools 'Secure Score' was 29.01% below Trident's baseline of 50%. The Trustees have set up a review point to ensure progress against all areas of finding are addressed within the next 12 months.

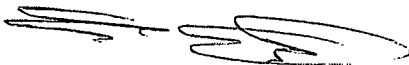
**Review of effectiveness**

As Accounting Officer, the CEO 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 Trident in 2021-22;
- the work of the external auditors;
- the financial management and governance self-assessment process, including 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 and Risk Committee's and a plans to address any weaknesses are always then implemented to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on their behalf by:



**Mr M Cole**  
Chair of Trustees



**Mrs G Piper**  
Accounting Officer

**KENNET SCHOOL ACADEMIES TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Kennet School Academies 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 Academy 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 Academy Trust Handbook 2021.

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



**Mrs G Piper**  
Accounting Officer

Date: 6 December 2022

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 on 6 December 2022 and signed on its behalf by:



**Mr M Cole**  
Chair of Trustees

**KENNET SCHOOL ACADEMIES TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KENNET SCHOOL ACADEMIES TRUST**

**Opinion**

We have audited the financial statements of Kennet School Academies 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.

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KENNET SCHOOL ACADEMIES 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.



**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KENNET SCHOOL ACADEMIES 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:

Our assessment focused on key laws and regulations the Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academy Trust Handbook 2021, the Academies Accounts Direction 2021 to 2022, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Academy Trust and how the Academy Trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Academy Trust's control environment and how the Academy Trust has applied relevant control procedures, through discussions with Trustees and other management and by reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year and by performing walkthrough testing over key areas;
- obtaining an understanding of the Academy Trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

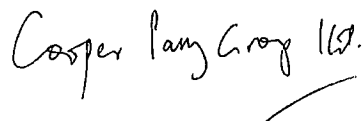
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KENNET SCHOOL ACADEMIES 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 Atkins FCA (Senior Statutory Auditor)**

for and on behalf of

**Cooper Parry Group Limited**

Chartered Accountants

Statutory Auditor

Cubo Birmingham

Office 401, 4th Floor

Two Chamberlain Square

Birmingham

B3 3AX

6 December 2022

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KENNET  
SCHOOL ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 August 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 Kennet School Academies 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 Kennet School Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kennet School Academies 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 Kennet School Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Kennet School Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Kennet School Academies Trust's funding agreement with the Secretary of State for Education dated 10 May 2016 (alongside a subsequent deed of variation dated 26 August 2016 and 22 August 2019) 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.

**Approach**

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

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

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

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

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities, including reviewing the reports on the internal scrutiny work commissioned by the Academy Trust in relation to the year.
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KENNET SCHOOL ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

relation to their Statement on Regularity, Propriety and Compliance; and

- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**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.



Reporting Accountant  
**Cooper Parry Group Limited**  
Chartered Accountants  
Statutory Auditor

Cubo Birmingham  
Office 401, 4th Floor  
Two Chamberlain Square  
Birmingham  
B3 3AX

Date: 6 December 2022

**KENNET SCHOOL ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2022**

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
<b>Income from:</b>						
Donations and capital grants	3	43	2	2,845	2,890	511
Charitable activities		-	15,853	-	15,853	15,238
Other income	5	288	262	-	550	293
<b>Total income</b>		<b>331</b>	<b>16,117</b>	<b>2,845</b>	<b>19,293</b>	<b>16,042</b>
<b>Expenditure on:</b>						
Raising funds	6	-	-	-	-	3
Charitable activities	6,7	222	17,350	1,004	18,576	17,132
<b>Total expenditure</b>		<b>222</b>	<b>17,350</b>	<b>1,004</b>	<b>18,576</b>	<b>17,135</b>
<b>Net income/(expenditure)</b>		<b>109</b>	<b>(1,233)</b>	<b>1,841</b>	<b>717</b>	<b>(1,093)</b>
Transfers between funds	17	(28)	(268)	296	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>81</b>	<b>(1,501)</b>	<b>2,137</b>	<b>717</b>	<b>(1,093)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	10,149	-	10,149	(1,488)
<b>Net movement in funds</b>		<b>81</b>	<b>8,648</b>	<b>2,137</b>	<b>10,866</b>	<b>(2,581)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	17	216	(10,903)	26,524	15,837	18,418
<b>Total funds carried forward</b>	<b>17</b>	<b>297</b>	<b>(2,255)</b>	<b>28,661</b>	<b>26,703</b>	<b>15,837</b>

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

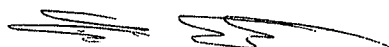
The notes on pages 30 to 54 form part of these financial statements.

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07543874**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Tangible assets	13	27,618	26,411
		<u>27,618</u>	<u>26,411</u>
<b>Current assets</b>			
Debtors	14	1,986	347
Cash at bank and in hand		1,184	1,177
		<u>3,170</u>	<u>1,524</u>
Creditors: amounts falling due within one year	15	(1,312)	(675)
<b>Net current assets</b>		<u>1,858</u>	<u>849</u>
<b>Total assets less current liabilities</b>		<u>29,476</u>	<u>27,260</u>
Creditors: amounts falling due after more than one year	16	(101)	(111)
<b>Net assets excluding pension liability</b>		<u>29,375</u>	<u>27,149</u>
Defined benefit pension scheme liability	25	(2,672)	(11,312)
<b>Total net assets</b>		<u><u>26,703</u></u>	<u><u>15,837</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	28,661	26,524
Restricted income funds	17	417	409
Pension reserve	17	(2,672)	(11,312)
<b>Total restricted funds</b>	17	<u>26,406</u>	<u>15,621</u>
<b>Unrestricted income funds</b>	17	297	216
<b>Total funds</b>		<u><u>26,703</u></u>	<u><u>15,837</u></u>

The financial statements on pages 27 to 54 were approved by the Trustees, and authorised for issue on 06 December 2022 and are signed on their behalf, by:



**Mr M Cole**  
Chair of Trustees

The notes on pages 30 to 54 form part of these financial statements.

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £000	2021 £000
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	19	(618)	482
<b>Cash flows from investing activities</b>	21	633	(73)
<b>Cash flows from financing activities</b>	20	(8)	(25)
<b>Change in cash and cash equivalents in the year</b>		7	384
Cash and cash equivalents at the beginning of the year		1,177	793
<b>Cash and cash equivalents at the end of the year</b>	22, 23	<u>1,184</u>	<u>1,177</u>

The notes on pages 30 to 54 form part of these financial statements

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the 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.

**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. 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 and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**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.



**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**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.

- **Expenditure on raising funds**

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

- **Charitable activities**

These are costs incurred on the 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 Taxation**

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

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

**1.6 Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost 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.

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

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**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 the following basis:

Leasehold Buildings at Conversion	-	3%
Leasehold Buildings improvements	-	2%
Leasehold Buildings - Roof Components	-	4% and 6.67%
Leasehold Buildings - Portable Building Components	-	5%
Freehold Buildings	-	2%
Furniture and Equipment	-	20%
Computer equipment	-	25%
Mini Buses	-	20%

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 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.

**1.9 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 14. Prepayments are not financial instruments.

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 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.10 Operating leases**

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

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.11 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.

**1.12 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances are disclosed in note 29.

**1.13 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.

**KENNET SCHOOL ACADEMIES 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 judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Donations	43	2	-	45	60
Capital Grants	-	-	2,845	2,845	451
	<u>43</u>	<u>2</u>	<u>2,845</u>	<u>2,890</u>	<u>511</u>
<b>Total 2021</b>	<u>21</u>	<u>1</u>	<u>489</u>	<u>511</u>	

**KENNET SCHOOL ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**4. Funding for the Academy Trust's educational operations**

	<b>Restricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<b>Total funds 2021 £000</b>
<b>Educational activities</b>			
<b>DfE/ESFA grants</b>			
General Annual Grant	14,008	14,008	12,746
Other DfE/ESFA grants			
Pupil Premium	484	484	440
Rates relief	51	51	52
Teachers pay grant	60	60	169
Teachers pension grant	27	27	484
Supplementary grant	161	161	-
Other DfE/ESFA grants	195	195	218
	<hr/> 14,986	<hr/> 14,986	<hr/> 14,109
<b>Other Government grants</b>			
Local Authority grants	653	653	746
	<hr/> 653	<hr/> 653	<hr/> 746
<b>Other income from the Academy Trust's educational activities:</b>	64	64	77
<b>COVID-19 additional funding (DfE/ESFA)</b>			
School Led Tutoring grants	61	61	-
COVID Recovery Premium	59	59	-
Other DfE/ESFA COVID related funding	29	29	47
COVID Catch-up funding	1	1	258
	<hr/> 150	<hr/> 150	<hr/> 305
	<hr/> 15,853	<hr/> 15,853	<hr/> 15,237
	<hr/> 15,853	<hr/> 15,853	<hr/> 15,237
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Total 2021</b>	<hr/> 15,237	<hr/> 15,237	

The Academy Trust received £59,000 of COVID Recovery Premium funding in the year and costs incurred in respect of this funding totalled £59,000.

The Academy Trust also received £61,000 of School Led Tutoring funding in the year and costs incurred in respect of this funding totalled £51,000, with the remaining balance of £10,000 being held within funds at the end of the year which is subject to clawback from the ESFA.

**KENNET SCHOOL ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**5. Other incoming resources**

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Hire of facilities	57	13	70	46
Income from ancillary trading activities	231	21	252	59
Income from other charitable activities	-	228	228	188
	<u>288</u>	<u>262</u>	<u>550</u>	<u>293</u>
<b>Total 2021</b>	<u>86</u>	<u>207</u>	<u>293</u>	

**6. Expenditure**

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Expenditure on fundraising trading activities:					
Allocated support costs	-	-	-	-	3
Educational activities:					
Direct costs	11,634	806	1,538	13,978	13,300
Allocated support costs	2,970	991	637	4,598	3,832
	<u>14,604</u>	<u>1,797</u>	<u>2,175</u>	<u>18,576</u>	<u>17,135</u>
<b>Total 2021</b>	<u>13,659</u>	<u>1,583</u>	<u>1,893</u>	<u>17,135</u>	

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**7. Analysis of expenditure by activities**

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Educational activities	13,978	4,598	18,576	17,132
<b>Total 2021</b>	<b>13,300</b>	<b>3,832</b>	<b>17,132</b>	

**Analysis of support costs**

	Total funds 2022 £000	Total funds 2021 £000
Pension finance costs	189	142
Staff costs	2,970	2,370
Depreciation	199	207
Other support cost	189	192
Premises costs	997	867
Governance costs	53	52
Legal costs	1	2
	<b>4,598</b>	<b>3,832</b>

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

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Operating lease rentals	-	1
Depreciation of tangible fixed assets	1,004	919
Fees paid to auditors for:		
- audit	14	14
- other services	5	-

**KENNET SCHOOL ACADEMIES TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**9. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2022 £000</b>	<b>2021 £000</b>
Wages and salaries	9,961	9,637
Social security costs	1,033	941
Pension costs	3,499	2,934
	<hr/> 14,493	<hr/> 13,512
Agency staff costs	94	147
Staff restructuring costs	17	-
	<hr/> <hr/> 14,604	<hr/> <hr/> 13,659

Staff restructuring costs comprise:

	<b>2022 £000</b>	<b>2021 £000</b>
Severance payments	17	-
	<hr/> 17	<hr/> -
	<hr/> <hr/>	<hr/> <hr/>

**b. Severance payments**

The Academy Trust paid 1 severance payments in the year, disclosed in the following bands:

	<b>2022 No.</b>
£0 - £25,000	<hr/> <hr/> 1

**c. Special staff severance payments**

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £11,367, which consisted of a single payment.



**KENNET SCHOOL ACADEMIES TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**9. Staff (continued)**

**d. Staff numbers**

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

	<b>2022 No.</b>	<b>2021 No.</b>
Teachers	166	167
Administration and support	210	208
Management	13	12
	<u>389</u>	<u>387</u>

The average headcount expressed as full-time equivalents was:

	<b>2022 No.</b>	<b>2021 No.</b>
Teachers	150	150
Administration and support	128	123
Management	13	12
	<u>291</u>	<u>285</u>

**e. Higher paid staff**

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

	<b>2022 No.</b>	<b>2021 No.</b>
In the band £60,001 - £70,000	3	5
In the band £70,001 - £80,000	4	1
In the band £80,001 - £90,000	1	1
In the band £100,001 - £110,000	1	1
	<u>1</u>	<u>1</u>

**f. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,133,000 (2021 - £979,000).

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**10. Central services**

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

- Human Resources
- Financial Services
- Legal Services
- Educational support services
- IT services and Estate Management and site project support

The Academy Trust charges for these services on the basis of pupil numbers.

The actual amounts charged during the year were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Kennet School	218	94
Francis Baily	67	31
Whitelands Park Primary School	29	18
<b>Total</b>	<b>314</b>	<b>143</b>

**11. Trustees' remuneration and expenses**

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

		<b>2022</b>	<b>2021</b>
		<b>£000</b>	<b>£000</b>
Mrs G Piper	Remuneration	105 - 110	100 - 105
	Pension contributions paid	25 - 30	20 - 25
Mr M Keogh	Remuneration	30 - 35	35 - 40
	Pension contributions paid	5 - 10	5 - 10

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

**12. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

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**13. Tangible fixed assets**

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>					
At 1 September 2021	31,339	1,244	2,039	80	34,702
Additions	2,057	86	69	-	2,212
At 31 August 2022	33,396	1,330	2,108	80	36,914
<b>Depreciation</b>					
At 1 September 2021	5,438	835	1,943	75	8,291
Charge for the year	806	123	70	5	1,004
At 31 August 2022	6,244	958	2,013	80	9,295
<b>Net book value</b>					
At 31 August 2022	27,152	372	95	-	27,619
At 31 August 2021	25,901	409	96	5	26,411

Included in leasehold land and buildings is leasehold land with a book value of £7,713,000 (2021: £7,713,000).

**14. Debtors**

	2022 £000	2021 £000
<b>Due within one year</b>		
Trade debtors	11	5
Other debtors	110	22
Prepayments and accrued income	1,865	320
	1,986	347

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

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Salix loans	28	26
Trade creditors	368	299
Other taxation and social security	232	230
Other creditors	186	-
Accruals and deferred income	498	120
	<u>1,312</u>	<u>675</u>
	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Deferred income at 1 September 2021	12	112
Resources deferred during the year	45	12
Amounts released from previous periods	(12)	(112)
	<u>45</u>	<u>12</u>

Deferred income relates to balances pupils hold on cashless catering at the year end and trip income in respect of trips due to take place in the next academic year.

**16. Creditors: Amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Salix loans	<u>101</u>	<u>111</u>

The Trust has five SALIX loans, which are provided interest free and repayable over 8 years through deductions applied by the ESFA to September and March remittance payments. Six SALIX loans are attached to Condition Improvement Funding (CIF) for replacement window, roofing, heating, electrical and boiler projects. The seventh is through SALIX Energy Efficiency Fund for a LED lighting upgrade project. In all four cases, repayments are funded through energy savings from the projects. The fifth loan relates to roofing works at Kennet School.

Each project has its own repayment schedule and a sum of £13,996 is due in September 2022 and £13,996 is due in March 2023. The remaining payments totalling £101,101 are included above with the final payment scheduled for March 2031.

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**17. Statement of funds**

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
<b>Unrestricted funds</b>						
General Funds	216	331	(222)	(28)	-	297
<b>Restricted general funds</b>						
General Annual Grant (GAG)	289	14,008	(13,615)	(302)	-	380
Pupil Premium	-	484	(474)	(10)	-	-
Rates relief funding	-	51	(51)	-	-	-
Teachers pay grant	-	60	(60)	-	-	-
Teachers pension grant	-	27	(27)	-	-	-
Supplementary grant	-	161	(161)	-	-	-
Other DfE/ESFA grants	61	194	(249)	20	-	26
COVID Recovery premium	-	59	(59)	-	-	-
School Led Tutoring grants	-	61	(51)	-	-	10
COVID Catch-up funding	59	1	(59)	-	-	1
Other DfE/ESFA COVID related funding	-	29	(29)	-	-	-
Local Authority grants	-	653	(653)	-	-	-
Other restricted income	-	329	(353)	24	-	-
Pension reserve	(11,312)	-	(1,509)	-	10,149	(2,672)
	(10,903)	16,117	(17,350)	(268)	10,149	(2,255)

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Statement of funds (continued)**

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
<b>Restricted fixed asset funds</b>						
Inherited and donated fixed assets	23,394	-	(524)	-	-	22,870
Fixed assets funded DfE/ESFA capital grants and other funds	3,017	-	(480)	2,211	-	4,748
Unspent DfE/ESFA capital grants (net of loans)	113	2,845	-	(1,915)	-	1,043
	<u>26,524</u>	<u>2,845</u>	<u>(1,004)</u>	<u>296</u>	<u>-</u>	<u>28,661</u>
<b>Total Restricted funds</b>	<u>15,621</u>	<u>18,962</u>	<u>(18,354)</u>	<u>28</u>	<u>10,149</u>	<u>26,406</u>
<b>Total funds</b>	<u>15,837</u>	<u>19,293</u>	<u>(18,576)</u>	<u>-</u>	<u>10,149</u>	<u>26,703</u>

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

The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with the Trust's charitable objects and the terms and conditions of the Trust's funding agreement.

Other grants and income, which include other ESFA / DfE grants, Pupil Premium, Teacher Pay grants, Teachers' Pension grants, Local Authority funding, COVID Catch-up Premium, COVID Recovery premium, School Led Tutoring grants, other COVID related funding and other restricted income, are all used in accordance with the specific restrictions of the individual grants and funding provided.

The Pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the Schools within the Academy Trust, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.

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

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Unrestricted funds</b>						
General Funds	219	189	(163)	(29)	-	216
<b>Restricted general funds</b>						
General Annual Grant (GAG)	107	12,797	(12,521)	(94)	-	289
UIFSM	-	135	(135)	-	-	-
Pupil Premium	-	440	(440)	-	-	-
Catch up Premium	-	258	(199)	-	-	59
Other DfE/ESFA COVID related funding	-	47	(47)	-	-	-
Other DfE/ESFA and Local Authority grants	100	1,483	(1,522)	-	-	61
Other restricted income	(2)	204	(202)	-	-	-
Pension reserve	(8,837)	-	(987)	-	(1,488)	(11,312)
	<u>(8,632)</u>	<u>15,364</u>	<u>(16,053)</u>	<u>(94)</u>	<u>(1,488)</u>	<u>(10,903)</u>
<b>Restricted fixed asset funds</b>						
Donated assets	23,356	38	-	-	-	23,394
DfE/ESFA capital grants	3,475	451	(919)	-	123	3,130
	<u>26,831</u>	<u>489</u>	<u>(919)</u>	<u>-</u>	<u>123</u>	<u>26,524</u>
<b>Total Restricted funds</b>	<u>18,199</u>	<u>15,853</u>	<u>(16,972)</u>	<u>(94)</u>	<u>(1,365)</u>	<u>15,621</u>
<b>Total funds</b>	<u>18,418</u>	<u>16,042</u>	<u>(17,135)</u>	<u>(123)</u>	<u>(1,365)</u>	<u>15,837</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

	<b>2022 £000</b>	<b>2021 £000</b>
Kennet School	341	321
Francis Baily	367	302
Whitelands Park Primary School	6	2
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	714	625
Restricted fixed asset fund	28,661	26,524
Pension reserve	(2,672)	(11,312)
	<hr/>	<hr/>
<b>Total</b>	<b>26,703</b>	<b>15,837</b>
	<hr/> <hr/>	<hr/> <hr/>

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs £000</b>	<b>Other support staff costs £000</b>	<b>Educational supplies £000</b>	<b>Other costs excluding depreciation £000</b>	<b>Total 2022 £000</b>	<b>Total 2021 £000</b>
Kennet School	8,194	1,018	921	923	11,056	10,593
Francis Baily	1,990	351	327	178	2,846	2,698
Whitelands Park Primary School	1,354	135	199	159	1,847	1,796
Central services	-	127	6	181	314	142
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Academy Trust</b>	<b>11,538</b>	<b>1,631</b>	<b>1,453</b>	<b>1,441</b>	<b>16,063</b>	<b>15,229</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Analysis of net assets between funds**

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

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	27,618	27,618
Current assets	297	1,305	1,568	3,170
Creditors due within one year	-	(888)	(424)	(1,312)
Creditors due in more than one year	-	-	(101)	(101)
Provisions for liabilities and charges	-	(2,672)	-	(2,672)
<b>Total</b>	<b>297</b>	<b>(2,255)</b>	<b>28,661</b>	<b>26,703</b>

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

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	26,411	26,411
Current assets	216	896	412	1,524
Creditors due within one year	-	(487)	(188)	(675)
Creditors due in more than one year	-	-	(111)	(111)
Provisions for liabilities and charges	-	(11,312)	-	(11,312)
<b>Total</b>	<b>216</b>	<b>(10,903)</b>	<b>26,524</b>	<b>15,837</b>

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

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Net income/(expenditure) for the year (as per Statement of Financial Activities)	717	(1,093)
<b>Adjustments for:</b>		
Depreciation	1,004	919
Capital grants from DfE and other capital income	(2,845)	(456)
Defined benefit pension scheme cost less contributions payable	1,320	845
Defined benefit pension scheme finance cost	189	142
(Increase)/decrease in debtors	(1,639)	62
Increase in creditors	636	96
Donated fixed assets	-	(33)
<b>Net cash (used in)/provided by operating activities</b>	<b>(618)</b>	<b>482</b>

**20. Cash flows from financing activities**

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Cash inflows from new borrowing	19	-
Repayments of borrowing	(27)	(25)
<b>Net cash used in financing activities</b>	<b>(8)</b>	<b>(25)</b>

**21. Cash flows from investing activities**

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Purchase of tangible fixed assets	(2,212)	(529)
Capital grants from DfE Group	2,845	451
Capital funding received from sponsors and others	-	5
<b>Net cash provided by/(used in) investing activities</b>	<b>633</b>	<b>(73)</b>

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**22. Analysis of cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Cash in hand and at bank	1,184	1,177
<b>Total cash and cash equivalents</b>	<u>1,184</u>	<u>1,177</u>

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

	<b>At 1 September 2021 £000</b>	<b>Cash flows £000</b>	<b>Other non- cash changes £000</b>	<b>At 31 August 2022 £000</b>
Cash at bank and in hand	1,177	7	-	1,184
Debt due within 1 year	(26)	27	(29)	(28)
Debt due after 1 year	(111)	(19)	29	(101)
	<u>1,040</u>	<u>15</u>	<u>-</u>	<u>1,055</u>

**24. Capital commitments**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	1,294	1,769

**25. 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 Royal County of Berkshire Pension Fund. 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 £186,000 were payable to the schemes at 31 August 2022 (2021 - £nil and are included within creditors).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. Pension commitments (continued)**

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £1,565,000 (2021 - £1,564,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 £806,000 (2021 - £687,000), of which employer's contributions totalled £614,000 (2021 - £525,000) and employees' contributions totalled £192,000 (2021 - £162,000). The agreed contribution rates for future years are 22.6% for employers and 5.5% - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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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**25. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2022</b>	<b>2021</b>
	%	%
Rate of increase in salaries	3.90	3.90
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	2.90	2.90

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

	<b>2022</b>	<b>2021</b>
	Years	Years
Retiring today		
Males	21.0	21.3
Females	23.8	24.0
Retiring in 20 years		
Males	22.3	22.6
Females	25.3	25.4

**Sensitivity analysis**

Increase / (decrease) in the reported value of defined benefit obligations:

	<b>2022</b>	<b>2021</b>
	£000	£000
Discount rate +0.1%	(246)	(458)
Discount rate -0.1%	253	471
Mortality assumption - 1 year increase	296	708
Mortality assumption - 1 year decrease	(287)	(681)
CPI rate +0.1%	236	424
CPI rate -0.1%	(230)	(413)

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**25. Pension commitments (continued)**

**Share of scheme assets**

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

	<b>At 31 August 2022 £000</b>	<b>At 31 August 2021 £000</b>
Equities	4,361	3,748
Other bonds	1,078	1,093
Property	934	723
Cash	116	127
Other	453	447
<b>Total market value of assets</b>	<u>6,942</u>	<u>6,138</u>

The actual return on scheme assets was £207,000 (2021 - £627,000).

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

	<b>2022 £000</b>	<b>2021 £000</b>
Current service cost	(1,934)	(1,370)
Interest income	106	84
Interest cost	(288)	(221)
Administrative expenses	(7)	(5)
<b>Total amount recognised in the Statement of Financial Activities</b>	<u>(2,123)</u>	<u>(1,512)</u>

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

	<b>2022 £000</b>	<b>2021 £000</b>
<b>At 1 September</b>	17,450	13,762
Current service cost	1,934	1,370
Interest cost	288	221
Employee contributions	192	162
Actuarial (gains)/losses	(10,048)	2,031
Benefits paid	(202)	(96)
<b>At 31 August</b>	<u>9,614</u>	<u>17,450</u>

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**25. Pension commitments (continued)**

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

	<b>2022 £000</b>	<b>2021 £000</b>
<b>At 1 September</b>	6,138	4,925
Interest income	106	84
Actuarial gains	101	543
Employer contributions	614	525
Employee contributions	192	162
Benefits paid	(202)	(96)
Admin cost	(7)	(5)
<b>At 31 August</b>	<u>6,942</u>	<u>6,138</u>

**26. 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:

	<b>2022 £000</b>	<b>2021 £000</b>
Not later than 1 year	<u>-</u>	<u>1</u>

**27. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

**28. 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.

There were no related party transactions during the current year other than certain Trustees remuneration which is already disclosed in note 11.

In the prior year, the Academy Trust paid the sum of £5,114 to Elisabeth Crossman, a former Trustee who resigned in July 2021, for the provision of Leadership Coaching following a tender exercise conducted in accordance with the Trust's financial procedures and notified to the ESFA in April 2021.

**KENNET SCHOOL ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**29. Agency arrangements**

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. For the year ended 31 August 2022, the Academy Trust received £8,045 (2021: £13,268) and disbursed £8,078 (2021: £19,338) from the fund. An amount of £2,527 (2021: £2,560) is included in other creditors relating to undistributed funds.