

**REGISTERED COMPANY NUMBER: 07736448 (England and Wales)**

**Report of the Trustees and  
Financial Statements for the Year Ended 31 August 2019  
for**

**Tenterden Schools Trust**



McCabe Ford Williams  
Statutory Auditors &  
Chartered Accountants  
Invicta Business Centre  
Monument Way  
Orbital Park  
Ashford  
Kent  
TN24 0HB

**Tenterden Schools Trust**  
**Contents of the Financial Statements**  
**for the Year Ended 31 August 2019**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 10
Governance Statement	11 to 14
Appendices to Report of Trustees & Governance Statement	15 to 22
Statement on Regularity, Propriety and Compliance	23
Statement of Trustees Responsibilities	24
Report of the Independent Auditors	25 to 26
Independent Accountant's Report on Regularity	27 to 28
Statement of Financial Activities	29
Balance Sheet	30
Cash Flow Statement	31
Notes to the Cash Flow Statement	32
Notes to the Financial Statements	33 to 57

# **Tenterden Schools Trust**

## **Reference and Administrative Details for the Year Ended 31 August 2019**

<b>Members</b>	Mrs V Hardy Mr I Kirkland	Rev Canon L Hammond The Diocese of Canterbury Co Limited
<b>Trustees/Board</b>	Mrs V Hardy Mr D Harding Mr M Hill Mrs S Lees Mrs S Moon Mrs N Paterson Ms K Smith Mr C Thomas (from 17 May 2019) Mr N Vincer Ms J Vos	Chair (Diocesan Rep for St Michael's) Director Director CEO Director Diocesan Director Director Director Director Director
<b>Secretary</b>	Mrs K Douglas	
<b>Senior executive team</b>	Mrs S Lees Ms S Crinnion Mrs S Williamson  Mrs S King Mr S Pusey Mrs N Callingham (from 1 April 2019) Mrs D Faulkner Mr M Seymour	CEO Executive Head (Tenterden Primary Federation) Headteacher (St Michael's C of E Primary school) Vice Principal (Homewood) Vice Principal (Homewood) HR Director  Head of Administration Finance Director
<b>Registered Office</b>	Homewood School & Sixth Form Centre Ashford Road Tenterden Kent TN30 6LT	
<b>Company Registration Number</b>	07736448	(England and Wales)
<b>Auditors</b>	McCabe Ford Williams Invicta Business Centre Monument Way Orbital Park Ashford Kent TN24 0HB	
<b>Bankers</b>	Lloyds TSB Plc 81 High Street Ashford TN24 8SS	

## **Tenterden Schools Trust**

### **Report of the Trustees for the Year Ended 31 August 2019**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2019. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The main aim of the multi-academy Trust is to provide a broad based curriculum across the full ability range of pupils from ages 0 to 4 in the nursery and from 4 to 19 in the primary and secondary schools. The second aim of the Trust is for the facilities to be enjoyed by the public and used by them when available and for the financial benefit of the Trust. The aims and objects link with the Articles of Association primary objects as noted above.

The objectives for the year 2018/19 were set out in the Trust Development Plan for this period. Some of these areas are noted as follows:

##### **Strategic Development of the trust**

- Add at least two primary schools to the trust.
- Deliver all 2018/19 budgets without deficits and set balanced budgets for 2019/20.
- Make all necessary preparations to support schools entering the Ofsted and SIAMS inspection windows.
- Progress towards further growth in 2019/20.

##### **Excellence in teaching and learning**

- Develop a framework to give impact across phases creating a common language of learning.
- Provide opportunities for teachers across the trust to collaborate by talking, observing, organising, evaluating and teaching each other.
- Share learning across phases.

##### **0 - 19 Learning Journey**

- Identify portable knowledge between key stages and identify progress "signposts".
- Develop a common approach to encouraging and maintaining student aspiration.
- Develop programmes to identify and support vulnerable learners across key stages.
- Share best practice to ensure that core standards are met across the Trust and principles of quality first teaching are embedded.

##### **Public benefit**

The trustees confirm that they have complied with the duties in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Public benefit from the Trust's operations is manifested in a number of different ways:

- In the education of pupils across all ability levels from ages 0 to 19.
- In the availability of facilities to the general public, from sports halls and school halls to the theatre to adult education classes, in the evening.
- In community events run by the schools on behalf of the local community.
- In the community and educational links with the local Tenterden Rural alliance and other primary schools.
- In the activity days, master classes and summer school activities run out of hours for the benefit of primary age children in the surrounding area and Ashford.

The Trustees have complied fully with their duty to have due regard to the guidance on public benefit as published by the Charity Commission in exercising their powers and duties.

## **Tenterden Schools Trust**

### **Report of the Trustees for the Year Ended 31 August 2019**

#### **STRATEGIC REPORT**

##### **Achievement and performance**

The Tenterden Schools Trust has been established since 1 December 2016 so is now reporting on its third set of published outcomes as a Multi Academy Trust since that date. On 1 November 2019, Rolvenden Primary School converted to Academy status and joined the Trust so the Trust now comprises Homewood School & Sixth Form Centre, Tenterden Primary Federation (Tenterden Infants' School and Tenterden CE Junior School), St Michael's CE Primary School and Home Farm Nursery School.

Tenterden Primary Federation - 2019 outcomes at KS1 were very strong, with percentage of pupils achieving Expected Progress and Greater Depth all above national average. KS2 outcomes were above national at Greater Depth in all areas, Expected below average in Maths and Reading. EYFS Good Level of Development slightly below average due to individual pupil needs. KS2 Progress scores likely to be negative again in 2019 due to historic over-assessment in KS2 but this will not be the case from 2020 onwards. Intensive work throughout the school has been done to implement Mastery Maths in order to establish strong foundations in the subject but the impact is not yet fully visible in KS2 outcomes. However, the improvement in percentage achieving Greater Depth in Maths shows good level of challenge, including for most able pupils and the full impact of the focus on Maths will be evident from 2020.

St Michael's C of E Primary School - 2019 outcomes show sustained performance in EYFS and KS1, with Expected and Greater Depth above national averages in all areas except Reading. However, there was an unexpected dip in performance in Year 6 across all measures, most notably in Maths. A Trust-wide review of Maths has already taken place and there are clear points of action for the year, including those specific to St Michael's. There is also a recognition that children are not all retaining their learning sufficiently well and building this as a focus of teaching and learning is also a Trust wide focus for 2019/20.

Homewood - At KS4, exam results in 2019 remained similar to the previous year. There were some significant improvements, notably in Maths, and there were high levels of achievement across a broad range of subjects, including the visual and performing Arts, Chinese and vocational subjects. Students achieving Grade 5 or above in English and Maths rose by 5% to 28%, with 5+ Maths showing a 7% improvement. However, Progress 8 has remained static despite these improvements. This was in large part due to the number of students who did not fill all 8 buckets in the P8 measure, often for very good and well documented reasons, although underperformance in Science, History, Computer Science and Geography had a depressing effect on the measure. The E-Bacc subjects are a key area of focus for the school in the year ahead. Outcomes at KS5 sustained the same A\*-E pass rate at 96% with 50% of grades achieved at A\*-C. Progress was strong in academic subjects at +0.26 and close to average at -0.03 for applied subjects.

Recruitment into Year 7 at Homewood has been strong in 2018 and 2019, with approximately 360 in each year group. Following a dip in 6th form numbers over the last two years, 2019 saw a significant increase in recruitment following a pro-active approach taken by the school to retain its own students and attract external applicants. Similar numbers are expected in 2020. Year R figures have also increased in both St Michael's and Tenterden Infants' School in 2019 and Tenterden Junior School remains virtually full.

Despite the financial climate, the Trust is maintaining its buildings in good condition, with upgrades to fencing, gating, roofing and outside storage in the primary schools and a range of internal improvements at Homewood as well as the addition of outside covered eating areas and the opening of the new 3G pitch. A total of eight CIF (Condition Improvement Fund) bids will be made during 2019/20 to cover fire safety upgrades, electrical upgrades, roofing repairs and some window replacement across the Trust Schools.

The financial element is covered in the financial section to follow.

##### **Key financial performance indicators**

The Trust schools' Key performance indicators are set out on the attached Appendix 4.

##### **Financial review**

###### *Going concern*

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. As explained on page 6, budgets for the year to 31 August 2020 indicate that the current deficit on unrestricted reserves will be eliminated. 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.

# Tenterden Schools Trust

## Report of the Trustees for the Year Ended 31 August 2019

### STRATEGIC REPORT

#### Financial review

In common with most educational establishments 2018/19 was a difficult year financially. The first part of the national funding formula helped in all schools and there was an additional capital grant during the year. However, per pupil funding has now been flat for eight years. The trust had a reasonable year when considered against this backdrop, with a surplus of £108k in the management accounts and all schools showing a surplus position with just the central fund in deficit. With the allocation of the capital expenditure on the 3G pitch at Homewood and the movement of funds into the fixed asset fund the audited accounts show a small deficit position in the unrestricted fund (£62k). This position is best shown to see the movement of funds:

#### Funds Reconciliation - Year ended 31 August 2019

	Homewood	St Michael's	Tenterden Infants	Tenterden Juniors	Central	Total
Surplus per management accounts	55,863	45,396	12,591	5,905	(11,392)	108,363
Capital spend	(494,776)	-	(5,921)	(11,058)	-	(511,755)
Offset capital grants from last year	96,030	-	-	-	-	96,030
Depreciation	96,240	1,373	592	1,105	-	99,310
Unrestricted for the year	(246,643)	46,769	7,262	(4,048)	(11,392)	(208,052)
Unrestricted brought forward	166,034	28,080	3,168	224	(51,036)	146,470
Unrestricted carried forward	(80,609)	74,849	10,430	(3,824)	(62,428)	(61,582)

In 2019/20 the trust will look to adjust the position and build funds in the unrestricted balances. The 3G pitch was a successful project and the cash movement for this project is clear in the accounts. High needs funding continues to be an issue across all schools in the trust. The Central fund saw an increase in 2018/19 with all schools contributing 4.6% of GAG funding, an increase of 0.4% on the previous year but also the insurance areas relevant to the schools were taken back into their accounts. In 2019/20 the contributions have been increased to 5.4% and the trust will ensure that the deficit is completely cleared by additional transfers, if necessary. The Financial controls have been well maintained and the auditors have supported the Responsible Officer in this regard. The Financial Regulations manual was updated in September 2018 in accordance with the changes in the ESFA Academies Financial Handbook and this has been used as the guide for auditors. The audit reports have been presented at the subsequent directors' meetings.

It can be seen from the accounts on the following pages that the central ESFA grant funding (GAG or general annual grants) plus local authority grants, which are the majority of the Trust's income have been fully utilised in the operations of the various schools.

GAG funding is broken down into various elements which includes, 4 - 11 funding, 11 to 16 funding, sixth form funding and then special educational needs funding which in turn is derived from a number of different factors. The main element to funding is the pupil count which is reported by the various academies in the annual census in October. There is always a lag of one year so the main grants paid in 2018/19 reflect the census numbers in October 2017.

The pupil premium funding is an important element of the government's plans and this is included in the GAG element. A full breakdown of how this was spent in the financial year is shown on each of the schools' websites. It is very difficult to accurately budget for the pupil premium with year on year changes.

## **Tenterden Schools Trust**

### **Report of the Trustees for the Year Ended 31 August 2019**

#### **STRATEGIC REPORT**

##### **Financial review**

##### **Financial and risk management objectives and policies including principal risks and uncertainties**

The risk assessment process for the Trust has already been outlined. The sections under the financial category in the risk register include the risk of a budget deficit and that performance is not checked against budget on a regular basis. The risk register is updated and reviewed at least annually and the aspects of Brexit have been included in 2018/19. The internal control procedures are well tested and supported by the external audits but there are risks in future years that with falling rolls in the primary schools that funding will fall despite the national funding formula. The stability of numbers in all schools is key. Year R will be a challenge over the next few years based on the KCC Commissioning Plan. Year R dropped to 34 at the Infants in September 2017, was stronger in 2018 at 47 and also in 2019 at 43. This is still below the 60 PAN. At St Michael's year R fell to 14 in September 2017 and was 15 in September 2018. However, this has gone up to 25 in 2019 and the school has grown to 150 - 12 higher than expected. We are working hard to recruit into these schools. The Junior school has a falling roll overall of 8 which will need managing through the budgets in 2020/21. Recruitment into year 7 at Homewood was strong this year at 368 and 7 up on last year. Sixth form numbers have increased by 16 to 364. Teachers pay raises have been approved at higher levels than budgeted but these are funded with the teacher's pay grant. In September 2019 the teacher's pension contributions have increased significantly (circa £600k cost across the trust per annum) but this will be funded by additional grant funding.

Financial risks are regularly assessed and the Trust is already working on its plans for 2020/21 and thereafter. Overall GAG funding in 2019/20 is similar to 2018/19 across the trust because the extra money from the national funding formula has covered the potential loss from fall in numbers. With salaries increasing and general costs slightly up there will be continued challenges in 2019/20. In fact, this will be a very challenging year for the trust schools. There will be additional funding in 2020/21 and the individual school calculations are currently being calculated. The per pupil increases will be most welcome and all schools will gain although this will be highest in the secondary sector. The Trust stands well placed as overall pupil numbers are expected to rise over the next few years. Tent 1A housing has not increased numbers as expected but secondary growth is expected with strong numbers in the current primary schools in the Ashford area. Recruitment into year 7 was strong in 2019. The sixth form has settled down and increased in 2019 for the first time in the last few years. The 390 PAN will remain to support the Ashford area part of the Kent Commissioning plan and we are in discussions with KCC regarding temporary increases above that to support the high volume demand in the Ashford area. The additional funding includes the last tranche of the national funding formula and is the first year in a three year government plan to increase education funding.

Financial risks in terms of payments by debtors are low and cash flow risk is acceptable but with the lack of free reserves this is an area that needs to be watched. A close view is being taken with weekly cash flow monitoring and forecasts but there are funding areas due that will improve this position and 31 August 2019 was a worst case situation. The main risk to the trust apart from the number of pupils is the provision of the same level of additional income streams. Over the coming years much work will be undertaken to consolidate this area but there are risks that income could fall in some of the constituent areas e.g. lettings, consultancy support etc. 2018/19 saw a strong performance in these areas which is encouraging. Given the 3G pitch and regular lettings income for some of the primary schools this risk is not high.

The three year finance budgets enable the Trust to plan for any necessary changes to ensure that where possible, surplus budgets will be maintained in the stretching years ahead. These budgets were presented to the Directors in July 2019 and approved.

One area to be noted is the Local Government Pensions scheme with a deficit of £4,779,000 at year end. This represents an increase of £1,619,000 in the deficit over the year. These figures are taken from the latest actuarial valuation undertaken for the Trust by Barnett Waddingham public sector consulting. There has been an overall negative view in financial assumptions which have taken account of Brexit, the markets and the McCloud case regarding transitional protection for changes in civil service pension schemes.

##### **Reserves policy**

The Directors have considered the need to establish a reasonable level of reserves given the size of the trust and the age of some of the buildings across the schools in the trust. However, it is noted that unlike many charities who need to take a very cautionary approach with their reserves given the uncertainty of their income, the academy has knowledge of regular grant funding from the ESFA and the local authority and thus a similar view is not warranted. Nonetheless, it has been agreed by the Directors that the level of reserves should be maintained at or around the level of two weeks of total staff costs. For the 2018/19 year this calculates at £420k based on total staff costs of £11m. As staff costs are about 75% of all costs this covers by far the largest item on the cost side of running the trust. This level of reserves will provide 1.5 weeks cover for all of the trust's costs and not just staff costs.

## **Tenterden Schools Trust**

### **Report of the Trustees for the Year Ended 31 August 2019**

#### **STRATEGIC REPORT**

##### **Financial review**

The accounts to 31 August 2019 show a deficit on unrestricted reserves of £62K. The Directors are keen to increase the reserves to the agreed two weeks of salary costs level as outlined above. In particular, they want to increase the unrestricted reserves to ensure this level is achieved. This means that the aim is for unrestricted reserves of £200K by August 2020. Our budgets indicate that this is entirely possible, with significantly increased S106 funding and a sale of surplus land, allied to other cost saving changes likely to produce significant free reserves in the coming year.

The deficit on the LGPS described above is not an immediate liability. Future proposed teacher pension employer contribution increases from 16.48% to 23.6% are proposed from September 2019 but will be fully funded by the DfE.

##### **Investment policy**

The trust holds reserves and invests on the basis that it can meet its short term requirements for cash flow purposes but also to maximise the interest earned. In 2018/19 there were investments made on the money market via Lloyds Bank PLC who provided competitive interest rates on less than one month, one month and three months, all of which were used. At 31 August 2019 there were no investments and all funds were held in current account balances but there are plans to use the money market again from December 2019 in line with the cash flow projections.

The Trustees are comfortable that given the cash flow needs of the Trust, best possible use is made of the investments available.

##### **Fundraising**

The Trust applied for funding by way of grant bids only in 2018/19. This included funds from the Redhill Trust towards the Take Up the Challenge Student Initiative. The trust did not work with any professional fundraisers and made all of its own applications for support. During the year there were no complaints regarding fundraising. The trust does not fundraise from individuals or directly raise funds for its activities. The primary schools have active PTAs who run fundraising events and the Trust does benefit from payments from these PTAs but they are separate charities and responsible for their own accounts.



**Tenterden Schools Trust**  
**Report of the Trustees**  
**for the Year Ended 31 August 2019**

**STRATEGIC REPORT**

**Future plans**

Each academy has a three year budget plan and this extends to 2021/22. The Trust then has an overall budget plan including the summary of the schools and the central fund. Incorporated into this plan are the three year premises development plans and the three year ICT plans. These two areas form the highest areas of expenditure after staff costs and thus the budgets are drawn from the underlying plans. The trust considers that it has detailed planning processes embedded into its operations and these help considerably with the financial plans for the coming years. There are factors that will change each year, including the ability to bid for new MAT funding, projects for capital funding, new ICT opportunities and other work that was not anticipated when budgets were initially set. These will be considered and progressed, if necessary, at the time. Within the Trust the individual schools in the trust will each have balanced budgets, as far as possible. The Trust budget for 2019/20 shows a surplus of £29k and there will be regular reviews of performance against that budget via the management accounts. The coming years will continue to be challenging but from 2020/21 there is additional funding in the system. There will also be some Section 106 secondary school funding from new housing developments in the town which will come to the Trust. In addition, there is a potential land sale at Homewood for the land behind the firestation.

The Trust will continue to invest in its building stock and the main focus will be to prepare the schools for the increased numbers projected in the Kent Commissioning Plan. Whilst this will mainly impact on Homewood at the secondary stage there may be some growth in the primary schools from the new housing. As noted, S106 funds will be coming to the Trust over the next three years for additional secondary provision and also for primary provision in due course. There will be the need to create extra science labs at Homewood and also for mobile accommodation as the school has been asked to allow places above the 390 PAN to support KCC. There are CIF (Condition improvement fund) bids being prepared for all of the schools with the need to spend on all sites with roofing, windows and fire safety/electrical updates but the Tenterden Junior school is a priority.

Rolvenden Primary school joined the Trust on 1 November 2019. There are still plans to grow the trust further in due course. For 2019/20 there will be a consolidation of the existing trust. There are SIAMS and Ofsted inspections due on some schools and the Trust needs to prepare for these. The plan is to move forward with growth the following year. There are several strategic aims in growing the trust. The trust ideally needs a second secondary school to provide cross phase support. There is also the aim of taking the pupil numbers above 3000 across the trust so that fairly substantial automatic capital funding can be obtained. Finally, it is the Directors view that growth will benefit the education of pupils in both the primary and secondary sectors.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The 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 academy trust.

The trustees act as the governors for the charitable activities of Tenterden Schools Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Tenterden Schools Trust.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative details on page one.

**Members' liability**

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

**Trustees' Indemnities**

No third party indemnity provisions were made during the year.

## **Tenterden Schools Trust**

### **Report of the Trustees for the Year Ended 31 August 2019**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Principal activities**

The Trust's objects are specifically restricted to the following: "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum". In addition, "to promote for the benefit of Ashford, Kent and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have reason of their need for such facilities or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants".

The Trust includes the following academies:

**Homewood School & Sixth Form Centre** which is a mixed ability school and there is an emphasis on the individual needs of all students including pupils with special educational needs.

**St. Michael's Church of England Primary School** which is a primary school covering years R to 6 (age 4 to 11).

**Tenterden Infant School** which is an infant school for years R to 2 (age 4 to 7).

**Tenterden Church of England Junior School** which is a junior phase school from years 3 to 6 (age 7 to 11).

##### **Method of recruitment and appointment or election of trustees**

The Trustees' term of office is four years but they are eligible for re-election at the meeting at which they retire. At the first Full Trustees' meeting of the year the Trustees will elect a Chairman and a Vice-Chairman and these automatically become the Chairman and Vice-Chairman of the Company.

The total number of staff trustees will not exceed a quarter of the total number of trustees.

##### **Organisational structure**

The structure chart for the Trust Executive team is shown with areas of responsibilities (appendix 2). This is essentially a strategic leadership team which will report to the Board. In addition, underlying this there is a Trust Strategy team represented by leaders in all of the schools and covering strategic, achievement, curriculum and learning and student welfare areas across the Trust. The operational level discussions are made within this framework but also by each of the individual schools within their own leadership structures. Decisions at a strategic level are made through the Trust Executive team. Strategic level recommendations go via the Trust Executive team to the Board of Trustees.

The CEO is the Accounting Officer for the Trust and as such takes overall responsibility on behalf of the Governing body for the finances of the Multi-academy trust.

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

The Trust body has a Pay Review Committee which is made up of the Chairs of the Local Governing Bodies for each of the schools in the Trust and one other director (not a staff director). This group meets with the CEO to review the pay of all senior teaching and associate staff. This meeting is usually in October each year after the year-end appraisals but additional meetings are held during the year as necessary.

The Committee question the CEO closely on the proposals and comparisons are made to other schools and the marketplace to ensure that salary levels are appropriate.

The Committee make recommendations to the Trustees on the level of the CEO's salary. The Trustees make the final decision on all salary decisions taking into account the circumstances of the Trust, the various responsibilities of the people being appraised and value for money.

## Tenterden Schools Trust

### Report of the Trustees for the Year Ended 31 August 2019

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Policies and procedures adopted for the induction and training of trustees

All newly appointed trustees are provided with an induction pack which includes a guide to the law, an overview of roles and responsibilities within the current governing body and a copy of the school improvement plan. During their first year they will join all of the trustees in a training day and any specific induction needs covered during that session. They will be supported by the clerk and by longer term serving members of the board, as required.

##### Employees and disabled persons

We will give full and fair consideration and ensure the equal treatment of disabled applicants for any vacancy and candidates will be considered solely on their ability to do the job. Wherever possible, after any necessary rehabilitation training, we will seek to retain or transfer to more suitable work, any otherwise capable employees who become disabled during their employment with us. We will provide disabled employees the same opportunities for promotion, career development and training to those afforded to other employees.

##### Employee consultation

Tenterden Schools Trust consults with employees and recognised unions to promote harmonious working relationships. Meetings are held termly with all staff to disseminate information regarding matters affecting them. Consultation always takes place in the event of proposed changes to terms and conditions, pay and performance management policies and employment policies and procedures.

##### Trade union facility time

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31 August 2019

##### Relevant union officials

Number of employees who were relevant union officials during the relevant period

4

Full-time equivalent employee number

4

##### Percentage of time spent on facility time

Percentage of time

0%

1-50%

51-99%

100%

Number of employees

Nil

4

Nil

Nil

##### Percentage of pay bill spent on facility time

£

Total cost of facility time

538

Total pay bill

11,201,421

Percentage of the total pay bill spent on facility time, calculated as:

$(\text{total cost of facility time} \div \text{total pay bill}) \times 100$

0.01%

##### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

$(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100$

100%

## **Tenterden Schools Trust**

### **Report of the Trustees for the Year Ended 31 August 2019**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Related parties**

##### **Home Farm Children's Nursery Limited**

The nursery is situated on the school site and there are six directors who are trust staff and one other who has connections with the trust but is not employed by the trust. The Company secretary is the same for both companies.

The nursery became a subsidiary company to Tenterden Schools Trust on 1 April 2014. It has not been consolidated in the financial statements as it is regarded as being immaterial to the group and consolidation would add unhelpful complexity to the Trust's financial statements. It has an annual turnover of about £330k and employs 14 staff. During this period the nursery has made donations to the school totalling £22k, of which £6k was related to the premises improvements in 2015/16 and the balance to the refurbishment of the toilet and washroom area in the original building. The nursery accounts show a small deficit of £624 for the twelve months to 31 August 2019 and strong reserves of £70k.

##### **Risk management**

The trust has undertaken a review of the risks it has exposure to and has detailed these in a risk register. This register covers strategic and reputational risks, operational risks, compliance risks and financial risks. It has been completed with input from all the Trust Executive team staff and the trustees of the board. The register is fully reviewed on an annual basis and updated as necessary.

##### **AUDITORS**

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 9/12/2019 and signed on the board's behalf by:



Mrs Vanessa Diane Hardy - Trustee

**Tenterden Schools Trust**  
**Governance Statement**  
**for the Year Ended 31 August 2019**

**Scope of Responsibility**

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

The Directors have delegated the day-to-day responsibility to Mrs S Lees, 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 master funding agreement between Tenterden Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the Directors any material weaknesses or breakdowns in internal control.

**Governance**

The appendices set out on pages 16 to 20 detail the Structure of Trustee Governance and the Leadership Team Areas Of Responsibility. This includes details of the delegated responsibilities for the various layers in the Trust governance.

The Directors provided support to the Executive leadership during the year and also to the local governing bodies. The local governing bodies supported the Directors at local school level and also gave strong support to each school's leadership team. As a local body they work closely with their school in terms of educational performance overall but the also cover specialist areas such as Pupil Premium, SEN/D and child protection. Governors from local bodies are attached to these specific areas to support their local school with this reflected in both the primary and secondary sectors. The Scheme of Delegation sets out in detail the responsibilities and roles of local governing bodies and where decision making is delegated to these bodies. It is acknowledged that the Board of Directors are responsible overall for the performance of the Trust and the schools within it and that broadly the local bodies are more of an advisory group. They do, however, have input towards the decision making process, for example involvement in the appointment of a new Headteacher or Executive Headteacher. They also hold delegated responsibilities as detailed in the Scheme of Delegation including child protection and holding the Head/Executive Head to account for school performance.

The information on trustees included here supplements that described in the trustees' Report and in the Statement of Trustees' responsibilities. The Board of Directors met a total of seven times during the year. Attendance during the year at these meetings was as follows:

	Name	Meetings attended	Out of a possible
Chair (Diocesan Rep from St Michael's)	Mrs V Hardy	7	7
Director (Diocesan Rep from Tenterden Juniors)	Mr D Harding	5	7
Director	Mr M Hill	5	7
CEO	Mrs S Lees	7	7
Director	Mrs S Moon	6	7
Diocesan Director	Mrs N Paterson	7	7
Director	Ms K Smith	6	7
	Mr C Thomas (from 17/5/19)	2	3
Director	Mr N Vincer	6	7
Director	Ms J Vos	7	7
Clerk/Secretary	Mrs K Douglas	7	7

**Review of Value for Money**

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

**Tenterden Schools Trust**  
**Governance Statement**  
**for the Year Ended 31 August 2019**

**Review of Value for Money**

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees on a regular basis. The Trust has delivered value for money during the year adhering closely to the Financial Regulations Manual in all of its financial transactions and by comparing its performance with other academy schools from ESFA benchmarking data to ensure that expenditure levels are reasonable for an academy of this size.

The Financial Regulations Manual is the guide in this area which the school, the Directors and the auditors use. This is updated each year to fit closely to the Academies Handbook (last updated September 2018). It establishes the financial roles, powers and responsibilities of the CEO as Accounting Officer, the Finance Director and the Board of Directors. There are specific guidelines on purchases across the Trust:

- 1 All service contracts over the OJEU limit must go via a tendering process with the obligatory European advertisements duly placed.
- 2 All orders over £10k must evidence "best value" - whether this be by alternative quotations in full or by a study of what other organisations have paid or evidence given of reasonable market rates for the goods/services to be supplied. In practice this is applied to all purchases over £1k.
- 3 All purchases over £20k must have evidence of three alternative quotations.
- 4 Homewood - the principal teachers and all other budget holders must have all purchase orders over £1k countersigned by the Finance Director.
- 5 Homewood - the principal teachers and budget holders will have their budgets agreed by the Finance Director before the academic year and these will link with their department plans which are agreed by the CEO.
- 6 Primary schools - the Executive Head and Head can agree purchase orders up to £5k. The School Business Manager(Primaries) signs and manages all orders to £1k and the Finance Director signs all above these unless the Heads have signed those up to £5k.
- 7 Primary schools - all budgets are agreed with the Executive Head/Head for the year.

All of the above help to ensure that the schools in the Trust achieve value for money in its purchasing and that the purchases link with whole school plans.

The internal accounting controls are strengthened by the auditors undertaking a full accounting year audit as is standard practice but in addition to this they also perform three internal interim audit checks. These are managed by a separate office of the same accountancy practice that undertake the year-end audit (McCabe Ford Williams). The interim audits cover purchasing, payments and salaries as well as income areas. Areas to be covered and volume of checks undertaken are detailed in the Financial Regulations Manual. The report is sent to a member of a local governing body who is the Responsible Officer and he in turn reports to the Board of Directors. The Responsible Officer is not on the Board and has a reporting role to the Directors so can hold them to account. During 2018/19 these audits showed that financial matters were being conducted well but there were minor areas for improvement. The Directors and the Trust schools appreciate the depth and breadth of these reviews. A summary of the findings in those reviews has been presented to the directors and will be sent to the ESFA.

In addition, the Education and Skills Funding Agency provide an Accounts Direction document for the year end audit. An area of continued focus is a review of contracted work undertaken by relatives of the Charity trustees for the benefit of the school. During the year there were no related party transactions.

We strongly believe that Tenterden Schools Trust delivered value for money during the 2018/19 academic year. The imperative to ensure value for money is one of the cornerstones of what we do and firmly engrained into all of our expenditure plans as we move into 2019/20. Examples of this in 2018/19 are detailed below:

- 1 The purchase of the chromebooks for year 7 students. Four quotations were obtained including DfE consortium suppliers. The supplier with the best package, payment terms and price point chosen.
- 2 Quotations were obtained from three contractors for the work in building two classrooms in the library at Homewood. The contractor with the best price and a good track record was chosen.
- 3 Two store cupboards were needed in the 2019 holidays and after quotes from contractors the trust decided to use their caretakers to do this work with costs to the trust of materials only.

## **Tenterden Schools Trust**

### **Governance Statement for the Year Ended 31 August 2019**

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Tenterden Schools Trust for the year ended 31 August 2019 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 charitable company 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 charitable company's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

The 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:

- \* the key elements of the risk management strategy, including the way in which risk (or change in risk) is identified, evaluated, and controlled. Explicitly how risks to information are being managed and controlled as part of this process;
- \* the internal audit / Responsible Officer function;
- \* key ways in which risk management is embedded in the activity of the organisation;
- \* the key elements of the way in which public stakeholders are involved in managing risks which impact on them (where relevant);
- \* comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- \* regular reviews by the Board of Directors of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- \* setting targets to measure financial and other performance;
- \* clearly defined purchasing (asset purchase or capital investment) guidelines;
- \* delegation of authority and segregation of duties;
- \* identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed McCabe Ford Williams, a firm of Chartered Accountants and the academy trust's auditors, to assist the Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

#### **Review of Effectiveness**

As Accounting Officer, Mrs S Lees 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 Responsible Officer;
- \* the work of the external auditor;
- \* the financial management and governance self-assessment process;
- \* the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- \* other explicit review/assurance mechanisms.

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

**Tenterden Schools Trust**

**Governance Statement  
for the Year Ended 31 August 2019**

Approved by order of the members of the board of trustees on 9/12/2019 and signed on its behalf by:

  
.....  
Mrs Vanessa Diane Hardy - Trustee

  
.....  
Mrs S Lees - Accounting Officer



## **Tenterden Schools Trust**

### **Appendices to the Report of Trustees and Governance Statement for the Year Ended 31 August 2019**

Appendix 1	-	Structure of Trust Governance
Appendix 2	-	Governance - Delegated responsibilities
Appendix 3	-	Leadership Team Areas of Responsibility
Appendix 4	-	Method of Recruitment and Appointment of Trustees
Appendix 5	-	Key Performance Indicators

## Tenterden Schools Trust

### Structure of Trust Governance for the Year Ended 31 August 2019

There is a detailed scheme of delegation setting out all of the responsibilities of the various bodies and the delegated powers from the directors. Latest version dated May 2017.

#### Members:

Lindsay Hammond  
Vanessa Hardy  
Ian Kirkland  
Diocesan Board of Education – Corporate Member

#### Board Directors

Sally Lees – CEO  
**Vanessa Hardy – Chair**  
David Harding  
Mike Hills  
Sue Moon  
Niki Paterson  
Kate Smith  
Clive Thomas  
Neil Vincer  
Jo Vos

<u>Homewood Local GB</u>		<u>St Michaels Local GB</u>		<u>Tenterden Primary Federation Local GB</u>	
Tim Barton	Parent	Nick Brooks	Parent	Kimberley Craggs	Staff
Jonathan Capstick	Parent	<b>Hilary Honeysett</b>	Foundation	Sam Crinnion	Executive Head Teacher
<b>Gillian Guthrie</b>	Community	Roy Isworth	Co-opted	Duncan Edgar (Jan 18)	Community
Louise Jennings	Parent	Jo Pashkin	Associate	<b>David Harding</b>	Community
Sally Lees	Principal	Gill Pont	Parent	Emma Isworth	Foundation
Sue Mash	Partnership	Diana Tyler	Foundation	L Kavanagh	Parent
Shabana Raman	Staff - Teaching	Joanna Vos	Co-opted	Maureen Kavanagh	Foundation
Jan Ross-Smith	Staff-support	Sara Williamson	Head Teacher	Nicholas Leggat	Associate
Kate Smith	Parent			Tina McIntosh	Associate
				Seren Welch	Parent

Chair of Committees in bold.

**Tenterden Schools Trust**

**Summary of Key Delegated Responsibilities  
for the Year Ended 31 August 2019**

<b>Members</b>	<b>Directors</b>	<b>Members of Local Governing Body</b>
<ul style="list-style-type: none"> <li>· determine constitution</li> <li>· oversee the Directors</li> <li>· recognise any strategic partnerships</li> <li>· delegate governance and management responsibility to the Directors (appointing and removing Directors where necessary)</li> </ul>	<ul style="list-style-type: none"> <li>· determine strategic vision and overarching strategic plan</li> <li>· provide strategic leadership and governance</li> <li>· provide challenge and support to senior leaders</li> <li>· develop and decide strategic and operational policies</li> <li>· facilitate collaboration</li> <li>· oversee expenditure ensuring the trust and individual Academies work within their budgets and implement the Trust risk and financial management policies</li> <li>· co-ordinate and oversee shared services and resources</li> <li>· develop and oversee the implementation of action plans</li> <li>· set performance benchmarks</li> <li>· determine curriculum priorities</li> </ul>	<ul style="list-style-type: none"> <li>· ensure the implementation of the MAT strategic vision, creating accountability and monitoring progress at school level in realising this vision</li> <li>· set and safeguard the school ethos of high expectations of everyone in the school community, including the fundamental British values.</li> <li>· ensure high expectations on behaviour, progress and attainment of all pupils and for the conduct and professionalism of both staff and local governors</li> <li>· governors appointed by the diocese have a specific role in preserving and developing the ethos of the school, including its religious character.</li> <li>· ensure school policy and practice include risk assessments to safeguard and promote pupils' welfare</li> <li>· implement the strategic framework set out by The Executive Board</li> <li>· support the implementation of any Academy plan, focussing particularly on school performance targets</li> <li>· support, monitor and evaluate the actions of the headteacher and senior leadership team, holding them to account for the day to day running of the school(s) including the performance management of staff</li> <li>· holding the headteacher and other senior leaders to account for pupil performance, using school data to monitor and challenge school outcomes</li> <li>· support the senior leadership team in the development and review of an appropriate staffing structure</li> </ul>

**Tenterden Schools Trust**

**Summary of Key Delegated Responsibilities (continued)  
for the Year Ended 31 August 2019**

Members	Directors	Members of Local Governing Body
	<ul style="list-style-type: none"> <li>· set overall Trust budget and approve of Academy budgets</li> <li>· monitor expenditure in accordance with appropriate authorisations</li> <li>· develop and implement a risk management strategy</li> <li>· determine the Trust's reserves/contingency policy</li> <li>· ensure appropriate insurance or risk cover is put in place</li> <li>· undertake recruitment and performance management of head teachers and other senior leaders</li> <li>· develop staff training programmes and opportunities for professional development</li> <li>· support the development and building of leadership and governance capacity at Academy level</li> <li>· approve of site and asset management strategy</li> <li>· oversee any significant capital expenditure and building projects</li> <li>· approve funding applications</li> <li>· decision maker for all appeals</li> </ul>	<ul style="list-style-type: none"> <li>· promote collaboration with other Academies in the Trust</li> <li>· contribute to the development and review of Academy policies (e.g. admissions, pupil behaviour, safeguarding)</li> <li>· provide advice and feedback to the Directors, ensuring the Academy is meeting the needs of its community</li> <li>· monitor and hold the headteacher and senior leadership team to account in relation to curriculum and school budgeting priorities</li> <li>· undertake all and any appropriate community consultation</li> <li>· provide a point of contact for parents, carers and other members of the local community</li> <li>· maintain effective links with the school community and the wider local community</li> </ul>

**Tenterden Schools Trust**  
**Leadership Team – Areas of Responsibility**  
**for the Year Ended 31 August 2019**

<b>CEO of Multi-Academy Trust</b> <b>Principal of Homewood</b> <p>MAT responsibilities: The CEO is the Accounting Officer for the Trust and is directly responsible for the strategic development of the Multi-Academy Trust, relations with Trust Board, contractual matters concerning Trust staff</p> <p>Homewood responsibilities: The Principal is directly responsible for approval of staff absence; fixed term and permanent exclusion of students; Performance Management of staff; quality assurance and self-evaluation; links with Kent Association of Headteachers and Local Education Authority.</p>					<b>Executive Headteacher Tenterden Primary Federation</b>	<b>Headteacher St Michael's Primary School</b>
<b>Vice Principal (Learning)</b>	<b>Vice Principal (Students)</b>	<b>Trust HR Director (from April 2019)</b>	<b>Head of Administration &amp; PA to CEO</b>	<b>Trust Finance Director</b>		
<p><b>MAT responsibilities</b></p> <ul style="list-style-type: none"> <li>0 – 19 Curriculum and Learning journey</li> </ul> <p><b>Homewood responsibilities</b></p> <ul style="list-style-type: none"> <li>Deputise for Principal</li> <li>COSMOS</li> <li>Timetable</li> <li>Assessment, Reporting and Exams</li> <li>Data Team Leader</li> <li>Raising Standards Team Leader</li> <li>SIMs overview</li> <li>PiXL Champion</li> </ul>	<p><b>MAT responsibilities</b></p> <ul style="list-style-type: none"> <li>0 – 19 Student welfare overview</li> </ul> <p><b>Homewood responsibilities</b></p> <ul style="list-style-type: none"> <li>Deputise for Principal</li> <li>Student HDT Leader</li> <li>Inclusion Team Leader</li> <li>Early Intervention Team Leader</li> <li>Mentoring Programme/Assemblies</li> <li>FLO's / Welfare</li> <li>Student Services Team Leader</li> <li>Attendance</li> <li>PSHE/Citizenship</li> <li>Ethos for Learning</li> <li>Multi-agency liaison/CAFs</li> <li>Alternative Curriculum</li> <li>Transport – students (with Colleges)</li> <li>Healthy Schools oversight</li> </ul>	<p><b>MAT responsibilities:</b></p> <ul style="list-style-type: none"> <li>HR lead across the MAT</li> </ul> <p><b>Homewood responsibilities:</b></p> <ul style="list-style-type: none"> <li>Safe Recruitment</li> <li>Personnel liaison</li> <li>Contracts</li> <li>Single Central Record</li> <li>CRB compliance</li> <li>Staff support</li> </ul>	<p><b>MAT responsibilities</b></p> <ul style="list-style-type: none"> <li>Administration co-ordination across the MAT</li> <li>PA to CEO</li> </ul> <p><b>Homewood responsibilities</b></p> <ul style="list-style-type: none"> <li>PA to Principal</li> <li>Staff/Events HDT Leader</li> <li>Personnel overview</li> <li>Data Protection overview</li> <li>Policy overview</li> <li>Communication Team Leader</li> <li>Media and ICT Services Team Leader</li> <li>Performance Management administration</li> <li>QA in Administration Services</li> <li>Staff training administration</li> <li>Homewood Portfolio of Services administration</li> <li>Staff duties</li> <li>Masterclasses and Summer School (with Lettings and Facilities Manager and Admissions Officer)</li> </ul>	<p><b>MAT responsibilities</b></p> <ul style="list-style-type: none"> <li>Legal and contractual aspects of MAT developments</li> <li>Finance and premises management across the MAT</li> </ul> <p><b>Homewood responsibilities</b></p> <ul style="list-style-type: none"> <li>Finance Team Leader</li> <li>Premises Team Leader</li> <li>Health and Safety</li> <li>ICT procurement</li> <li>Contracts Management</li> <li>Income Generation</li> <li>Marketing</li> <li>Transport – contracts</li> <li>Trips and Visits – finance and insurance</li> </ul>	<p><b>MAT responsibilities:</b></p> <ul style="list-style-type: none"> <li>Primary Lead for Standards and Achievement</li> <li>Interim Executive Headteacher at Rolvenden Primary School (from January)</li> </ul> <p>The EH supports the CEO in the strategic development of the Multi-Academy Trust</p> <p><b>TPF responsibilities:</b></p> <p>The EH is directly responsible for approval of staff absence; fixed term and permanent exclusion of students; Performance Management of staff; quality assurance and self-evaluation; links with Local Education Authority; safeguarding; employment of staff to the Academy</p>	<p><b>MAT responsibilities:</b></p> <p>The HT supports the CEO in the strategic development of the Multi-Academy Trust</p> <p><b>St Michael's responsibilities:</b></p> <p>The HT is directly responsible for approval of staff absence; fixed term and permanent exclusion of students; Performance Management of staff; quality assurance and self-evaluation; links with Local Education Authority; safeguarding; employment of staff to the Academy</p>

## **Tenterden Schools Trust**

### **Method of Recruitment and Appointment of Trustees for the Year Ended 31 August 2019**

#### **Method of Recruitment and Appointment of Trustees**

There are ten Trustees (Directors) on the board and it is established at the level on 12, if needed.  
Diocesan representation must be 25% and all three trustees require the Diocesan Board of Education approval.  
The others are appointed by the members.  
There can be no more than 33% of the Board as staff governors (max 4).  
The Directors are appointed for 4 years.

#### **Diocese representatives - 3**

Chair of St Michael's Church of England Primary School  
Chair of Tenterden Church of England Junior School and Infant school federation  
Diocesan Director as appointed by the Canterbury Diocesan Board of Education

#### **Staff - 1**

CEO

#### **Other - 6**

These positions are filled by individuals with specific skills and knowledge in education, business and finance .  
They are recommended by the members or existing directors and then appointed to the board by the directors.

#### **Parent Governors**

There are no parent governors on the Trust board but there are two parent governors on each of the local governing boards and four at Homewood so eight across the Trust as at 31 August 2019.

**Tenterden Schools Trust**

**Key Performance Indicators  
for the Year Ended 31 August 2019**

**Achievements and Performance**

**Homewood School & Sixth Form Centre**

**Section 8 Ofsted May 2017 – The school remains "Good" and safeguarding is effective;**

**Section 5 Ofsted September 2019 "Requires Improvement"**

**Examination tracking 2019 (compared with 2018)**

	Measure	2019	2018
<b>Key Stage 4</b>			
	<b>Cohort</b>	<b>340</b>	<b>336</b>
	% 9-4 GCSE in English (A*-C)	67	68
	% 9-5 GCSE in English	45	49
	% 9-4 GCSE in Maths (A*-C)	60	57
	% 9-5 GCSE in Maths	35	28
	% 9-4 GCSE in Maths and English (A*-C)	51	49
	% 9-5 GCSE in Maths and English	28	23
	% English Baccalaureate	8	8
	Attainment 8	37.82	37.22
	Progress 8	-0.41	-0.4
<b>Key Stage 5*</b>	<b>Cohort</b>	<b>135</b>	<b>132</b>
	A*/A grades	9	11
	A*/B grades	25	29
	A*/C grades	50	52
	A*/E grades	96	91
	APS per examination entry (Academic)	26.86	25.8
	APS per examination entry (Applied)	25.86	26.1

\* This data is weighted to take account of qualification size (eg A Level and As Level)

**Tenterden Primary Federation**

**Tenterden Infants' School: Section 8 Ofsted February 2019 -**

**The school remains "Good" and safeguarding is effective**

**Tenterden CE Junior School: Section 8 Ofsted December 2018 -**

**The school remains "Good" and safeguarding is effective**

	Measure	2019	2018
		<b>Expected/Greater Depth</b>	<b>Expected/Greater Depth</b>
<b>EYFS</b>	Good Level of Development	63%	73%
<b>Year 1</b>	Phonics	81%	86%
<b>Year 2</b>	Re-take Phonics	71%	75% (3/4)
	Reading	82%/29%	89%/25%
	Writing	75%/25%	80%/31%
	Maths	86%/32%	84%/23%
	RWM	69%/22%	77%/10%
<b>Year 6</b>	Reading	69%/36%	67%/28%
	Writing	83%/31%	75%/20%
	Maths	66%/32%	67%/17%
	GPS	73%/34%	77%/27%
	RWM	57%/20%	53%/12%
	Progress in Reading		-2.2
	Progress in writing		-1.9
	Progress in Maths		-2.9

# Tenterden Schools Trust

## Key Performance Indicators for the Year Ended 31 August 2019

**St Michael's Primary School: Section 5 Ofsted December 2018 -**

The school is "Good" in every category with outstanding personal development and welfare

	Measure	2019 (All)	2018 (All)
		Expected/Greater Depth	Expected/Greater Depth
<b>EYFS</b>	Good Level of Development	71%	77%
<b>Year 1</b>	Phonics	100%	90%
<b>Year 2</b>	Re-take Phonics	50%	66%
	Reading	68%/21%	78%/39%
	Writing	79%/42%	81%/14%
	Maths	79%/42%	76%/14%
	RWM	63%	Not reported for KS1
<b>Year 6</b>	Reading	63%/13%	60%/26%
	Writing	63%/13%	80%/21%
	Maths	53%/13%	85%/16%
	SPaG	60%/23%	60%/32%
	RWM	47%/7%	60%/11%
	Progress in Reading		-1.8
	Progress in Writing		-0.3
	Progress in Maths		0

### Tenterden Schools Trust priorities for 2018-19

Agreed expansion plan Phase 2 delivered - addition of one secondary school and at least one primary school.  
3000+ pupils in total.

**Partially Achieved - Academy Orders for Rolvenden Primary School issued; conversion took place on 1 Nov 2019**

Year 11: Percentage of students achieving 5+ in En and Ma at GCSE 49%; positive Progress 8

**Not Achieved - 5+ in En+Ma increased to 28%; P8 provisional figure is -0.41**

Years R, 1 and 2: National averages achieved or exceeded

**Partially Achieved - Tenterden Infants KS1 above national,**

**Tenterden Juniors KS2 Greater Depth well above national,**

**St Michael's KS1 mostly at or above national, KS2 below national**

Continued focus on closing gaps for PP and SEND students

**Partially achieved - progress of SEND students remains a focus for the Trust;**  
**progress of PP mixed compared with national**

Continue focus on closing gender gap, particularly in English in Year 11

**Not Achieved - gender gap still a focus at Homewood**

Recruitment of students into Years R, 7 and 12 to reach PAN; retention into Year 12 80%+

**Achieved - good levels of recruitment at Year 7 and Year 12 and improving at Year R**

Attendance at least 94% at Homewood and 96% at TPF and St Michael's

**Partially Achieved - primary schools achieved target; Homewood below at 93.1%**

### Tenterden Schools Trust priorities for 2019-20

Rolvenden Primary School converts to academy status and joins the Tenterden Schools Trust

Year 11: Percentage of students achieving 5+ in En and Ma at GCSE 49%; positive Progress 8

Years R, 1 and 2: National averages achieved or exceeded

Continued focus on closing gaps for PP and SEND students

Continue focus on closing gender gap, particularly in English in Year 11

Recruitment of students into Years R, 7 and 12 to reach PAN; retention into Year 12 80%+

Attendance at least 94% at Homewood and 96% at TPF and St Michael's

0-19 Curriculum developed to improve continuity at transition points



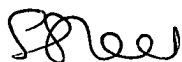
**Tenterden Schools Trust**

**Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2019**

As accounting officer of Tenterden Schools Trust I have considered my responsibility to notify the charitable company 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 charitable company, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2018.

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 S Lees - Accounting Officer

Date: 9/12/19, .....

## **Tenterden Schools Trust**

### **Statement of Trustees Responsibilities for the Year Ended 31 August 2019**

The trustees (who act as governors of Tenterden Schools Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

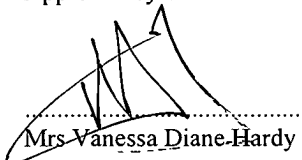
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements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

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

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 9/12/2019 and signed on its behalf by:

  
Mrs Vanessa Diane Hardy - Trustee

## **Report of the Independent Auditors to the Members of Tenterden Schools Trust**

### **Opinion**

We have audited the financial statements of Tenterden Schools Trust (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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) and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

### **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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

## **Report of the Independent Auditors to the Members of Tenterden Schools Trust**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our 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 a Report of the Independent Auditors 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.

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 Report of the Independent Auditors.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Sheather BSc FCA (Senior Statutory Auditor)  
for and on behalf of McCabe Ford Williams  
Statutory Auditors &  
Chartered Accountants  
Invicta Business Centre  
Monument Way  
Orbital Park  
Ashford  
Kent  
TN24 0HB



Date: **11 DECEMBER 2019**

## **Independent Reporting Accountant's Assurance Report on Regularity to Tenterden Schools Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tenterden Schools Trust during the period 1 September 2018 to 31 August 2019 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 Tenterden Schools Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Tenterden Schools Trust and the 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 Tenterden Schools Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Tenterden Schools Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Tenterden Schools Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 Academies Accounts Direction 2018 to 2019 issued by the 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 charitable company's income and expenditure.

The work undertaken to draw our conclusion includes:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the responsible officer during the period;
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the governing body;
- Review of fixed asset transactions against the requirements of the funding agreement between Homewood School and Sixth form Centre and the Secretary of State and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the Trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

McCabe Ford Williams  
Chartered Accountants  
Invicta Business Centre  
Monument Way  
Orbital Park  
Ashford  
Kent  
TN24 0HB



Date: 11 DECEMBER 2019

**Tenterden Schools Trust**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 August 2019**

					2019	2018
	Notes	Unrestricted fund £	Restricted Fixed Assets Fund £	Restricted General funds £	Total funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	60,837	198,595	225,186	484,618	560,599
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	362,323	12,917,476	13,279,799	12,805,077
Other trading activities	4	593,093	-	222,004	815,097	723,645
Investment income	5	647	-	-	647	2,136
<b>Total</b>		<b>654,577</b>	<b>560,918</b>	<b>13,364,666</b>	<b>14,580,161</b>	<b>14,091,457</b>
 <b>EXPENDITURE ON</b>						
Raising funds	7	168,626	-	345,708	514,334	412,291
<b>Charitable activities</b>						
Academy's educational operations		<u>694,003</u>	<u>244,504</u>	<u>13,677,958</u>	<u>14,616,465</u>	<u>14,472,342</u>
<b>Total</b>	6	<b>862,629</b>	<b>244,504</b>	<b>14,023,666</b>	<b>15,130,799</b>	<b>14,884,633</b>
 <b>NET INCOME/(EXPENDITURE)</b>		<b>(208,052)</b>	<b>316,414</b>	<b>(659,000)</b>	<b>(550,638)</b>	<b>(793,176)</b>
 <b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>-</u>	<u>(960,000)</u>	<u>(960,000)</u>	<u>1,209,000</u>
<b>Net movement in funds</b>		<b>(208,052)</b>	<b>316,414</b>	<b>(1,619,000)</b>	<b>(1,510,638)</b>	<b>415,824</b>
 <b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>146,470</b>	<b>34,384,614</b>	<b>(3,160,000)</b>	<b>31,371,084</b>	<b>30,955,260</b>
 <b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>(61,582)</u></b>	<b><u>34,701,028</u></b>	<b><u>(4,779,000)</u></b>	<b><u>29,860,446</u></b>	<b><u>31,371,084</u></b>

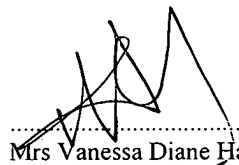
The notes form part of these financial statements

**Tenterden Schools Trust**

**Balance Sheet  
At 31 August 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	14	34,701,027	34,288,583
<b>CURRENT ASSETS</b>			
Stocks	15	39,009	41,743
Debtors	16	231,270	215,156
Prepayments and accrued income		569,379	391,916
Cash at bank and in hand		<u>376,292</u>	<u>829,259</u>
		1,215,950	1,478,074
<b>CREDITORS</b>			
Amounts falling due within one year	17	<u>(1,277,531)</u>	<u>(1,235,573)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(61,581)</u>	<u>242,501</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		34,639,446	34,531,084
<b>PENSION LIABILITY</b>	22	<u>(4,779,000)</u>	<u>(3,160,000)</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u><u>29,860,446</u></u>	<u><u>31,371,084</u></u>
<b>FUNDS</b>	21		
Unrestricted funds:			
General fund		(61,582)	146,470
Restricted funds:			
Pension reserve		(4,779,000)	(3,160,000)
Fixed Asset Fund		<u>34,701,028</u>	<u>34,384,614</u>
		<u>29,922,028</u>	<u>31,224,614</u>
<b>TOTAL FUNDS</b>		<u><u>29,860,446</u></u>	<u><u>31,371,084</u></u>

The financial statements were approved by the Board of Trustees on 9/12/2019 and were signed on its behalf by:

  
Mrs Vanessa Diane Hardy -Trustee

The notes form part of these financial statements



**Tenterden Schools Trust**  
**Cash Flow Statement**  
**for the Year Ended 31 August 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	65,174	(137,537)
Interest paid		<u>(7,033)</u>	<u>(3,155)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>58,141</u>	<u>(140,692)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(511,755)	(18,534)
Capital grants from DfE/ESFA		-	156,030
Interest received		<u>647</u>	<u>2,136</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(511,108)</u>	<u>139,632</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(452,967)</u>	<u>(1,060)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>829,259</u>	<u>830,319</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>376,292</u></u>	<u><u>829,259</u></u>

The notes form part of these financial statements

**Tenterden Schools Trust**

**Notes to the Cash Flow Statement  
for the Year Ended 31 August 2019**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(550,638)	(793,176)
<b>Adjustments for:</b>		
Depreciation	99,310	48,652
Capital grants from DfE/ESFA	-	(156,030)
Interest received	(647)	(2,136)
Interest paid	7,033	3,155
Decrease in stocks	2,734	6,405
Increase in debtors	(193,577)	(104,089)
Increase in creditors	41,959	243,682
Difference between pension charge and cash contributions	<u>659,000</u>	<u>616,000</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>65,174</u></u>	<u><u>(137,537)</u></u>

## **Tenterden Schools Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2019**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

##### **Consolidated Accounts**

Consolidated accounts have not been prepared as the results, assets and liabilities of the only subsidiary, Home Farm Childrens Nursery Limited, are not considered material to the group. Further details of the subsidiary are included within note 27.

##### **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 company 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 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.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received 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 period 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 it is probable that the income will be received and the amount can be measured reliably.

##### **Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and the subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 26.

##### **Other income**

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

## **Tenterden Schools Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2019**

#### **1. ACCOUNTING POLICIES - continued**

##### **Donated goods, facilities and services**

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

##### **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.

All resources expended are inclusive of irrecoverable VAT.

##### **Raising funds**

Raising funds 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**

Costs of charitable activities are 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.

## **Tenterden Schools Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2019**

#### **1. ACCOUNTING POLICIES - continued**

##### **Tangible fixed assets**

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost, as the open market value for existing use is not readily obtainable. Land and buildings acquired since incorporation are included in the balance sheet at cost.

The buildings at Tenterden Church of England Junior School and St Michael's Church of England Primary School were not transferred to the Trust on conversion. The buildings are retained by the Canterbury Diocesan Board of Finance and the Trust has a licence to occupy these buildings with a minimum notice period of two years on a rolling basis. The Trust does not have control over these premises and as such they are not recognised as fixed assets. The Diocese is committed to providing the land and buildings rent free for a further 24 months from the year end. The trustees do not believe that the likely benefit to the Trust can be reliably measured and accordingly, no amounts are recognised within income, expenditure or debtors for notional donations receivable or notional rental expenses.

Subsequent expenditure on existing fixed assets:

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

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

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.

Where significant capital expenditure is incurred on land and buildings retained by the Canterbury Diocesan Board of Finance in which the Trust has a licence to occupy, a Site Improvement asset is recognised and is carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets other than freehold land and buildings, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful lives, as follows:

Improvements to property	10%	Straight line method
Site Improvements	10%	Straight line method
Motor vehicles	20%	Straight line method
Plant and equipment	20%	Straight line method
Computer equipment	33%	Straight line method

In the case of freehold and leasehold properties, annual depreciation would not be material and hence no depreciation is provided.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**1. ACCOUNTING POLICIES - continued**

**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 basis are as follows:

**Financial assets** – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due from the charity's wholly owned subsidiary are held at face value less any impairment.

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

**Financial liabilities** – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

**Stocks**

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value on a first in first out basis. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

**Taxation**

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

**Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education & Skills Funding Agency and Department for Education.

## **Tenterden Schools Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2019**

#### **1. ACCOUNTING POLICIES - continued**

##### **Pension costs and other post-retirement benefits**

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. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions 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 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 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.

## **Tenterden Schools Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2019**

#### **1. ACCOUNTING POLICIES - continued**

##### **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.

##### **Provisions**

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

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

##### **Leased Assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

##### **Critical accounting estimates and areas of judgement**

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

##### **Critical accounting estimates and assumptions**

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

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.



**Tenterden Schools Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Donations	60,837	225,186	286,023	343,777
Grants	-	198,595	198,595	216,822
	<u>60,837</u>	<u>423,781</u>	<u>484,618</u>	<u>560,599</u>

Grants received, included in the above, are as follows:

	2019 £	2018 £
Devolved Capital Grant	198,595	60,792
Condition Improvement Fund	-	156,030
	<u>198,595</u>	<u>216,822</u>

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
<b>DfE/ESFA revenue grant</b>				
General Annual Grant(GAG)	-	12,247,607	12,247,607	12,135,272
Other DfE/ESFA Grants	-	182,348	182,348	160,363
	-	12,429,955	12,429,955	12,295,635
<b>Other government grant</b>				
Local Authority Grants	-	473,781	473,781	509,442
Section 106 Grants	-	362,323	362,323	-
	-	836,104	836,104	509,442
<b>Other Grants</b>				
Other Grants	-	13,740	13,740	-
	-	13,279,799	13,279,799	12,805,077

**Tenterden Schools Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Trip income	-	222,004	222,004	162,713
Copier income	108,011	-	108,011	83,458
Farm income	9,580	-	9,580	9,447
Hire of facilities	90,394	-	90,394	84,101
Catering income	149,054	-	149,054	154,801
Shop income	79,024	-	79,024	83,094
Supply Course income	100	-	100	1,934
Consultancy income	58,966	-	58,966	15,670
PGCE Income	8,558	-	8,558	4,418
ICT recharges	655	-	655	2,307
Departmental and other income	71,276	-	71,276	105,950
English and Maths Workshops	14,993	-	14,993	3,111
Other insurance claims	2,482	-	2,482	12,641
	<u>593,093</u>	<u>222,004</u>	<u>815,097</u>	<u>723,645</u>

**5. INVESTMENT INCOME**

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Short term deposits	<u>647</u>	<u>-</u>	<u>647</u>	<u>2,136</u>

**6. EXPENDITURE**

	Staff costs £	Non-pay expenditure Premises £	Other costs £	2019 Total £	2018 Total £
<b>Raising funds</b>					
<b>Costs incurred by trading for a fundraising purpose</b>					
Direct costs	-	-	514,334	514,334	412,291
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	9,018,108	-	1,136,800	10,154,908	10,467,239
Allocated support costs	<u>2,452,172</u>	<u>1,010,021</u>	<u>999,364</u>	<u>4,461,557</u>	<u>4,005,103</u>
	<u>11,470,280</u>	<u>1,010,021</u>	<u>2,650,498</u>	<u>15,130,799</u>	<u>14,884,633</u>

**Tenterden Schools Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**6. EXPENDITURE - continued**

Net income/(expenditure) is stated after charging/(crediting):

	2019	2018
	£	£
Auditors' remuneration	24,000	23,500
Auditors' remuneration for non audit work	3,100	3,200
Depreciation - owned assets	99,311	48,653
Operating lease rentals	<u>53,771</u>	<u>45,983</u>

**7. RAISING FUNDS**

Costs incurred by trading for a fundraising purpose

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Purchases	82,945	345,708	428,653	339,674
Copying fundraising	<u>85,681</u>	<u>-</u>	<u>85,681</u>	<u>72,617</u>
	<u>168,626</u>	<u>345,708</u>	<u>514,334</u>	<u>412,291</u>

**8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Direct costs	694,002	9,460,906	10,154,908	10,467,239
Support costs	<u>-</u>	<u>4,461,557</u>	<u>4,461,557</u>	<u>4,005,103</u>
	<u>694,002</u>	<u>13,922,463</u>	<u>14,616,465</u>	<u>14,472,342</u>

	2019 Total £	2018 Total £
<b>Analysis of support costs</b>		
Support staff costs	2,452,172	2,184,529
Depreciation	98,817	48,652
Technology costs	25,775	25,775
Premises costs	1,010,021	856,870
Other support costs	813,665	830,475
Governance costs	<u>61,107</u>	<u>58,802</u>
<b>Total support costs</b>	<u>4,461,557</u>	<u>4,005,103</u>

## **Tenterden Schools Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2019**

#### **9. TRUSTEES' REMUNERATION AND BENEFITS**

The principal only received remuneration in respect of services they provided undertaking the role of principal and not in respect of their service as trustee. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

Mrs S Lees, CEO and trustee

Remuneration	£125,000 - £130,000	(2018 - £120,000 -£125,000)
Employer's pension contributions	£20,000 - £25,000	(2018 - £15,000 - £20,000)

#### **Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 August 2019 nor for the year ended 31 August 2018.

# **Tenterden Schools Trust**

## **Notes to the Financial Statements - continued for the Year Ended 31 August 2019**

### **10. STAFF COSTS**

	2019 £	2018 £
Wages and salaries	8,380,237	8,426,802
Social security costs	797,058	787,354
Operating costs of defined benefit pension schemes	1,998,275	1,923,432
Apprenticeship levy	<u>25,851</u>	<u>26,881</u>
	11,201,421	11,164,469
Supply teacher costs	240,686	216,472
Compensation payments	<u>28,173</u>	<u>41,622</u>
	<u><u>11,470,280</u></u>	<u><u>11,422,563</u></u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2019	2018
Teachers	126	142
Administration and support	149	183
Management	<u>16</u>	<u>16</u>
	<u><u>291</u></u>	<u><u>341</u></u>

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

	2019	2018
£60,001 - £70,000	3	2
£70,001 - £80,000	3	1
£120,001 - £130,000	<u>1</u>	<u>1</u>
	<u><u>7</u></u>	<u><u>4</u></u>

Six of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019 employer's pension contributions for these staff amounted to £75,824 (2018 - three employees £41,680). The other employee participated in the Local Government Pension Scheme. Employer's pension contributions amounted to £15,571 (2018 - £15,515).

The key management personnel of the trust comprise the senior executive team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the trust was £615,279 (2018 - £545,067).

Included in staff costs are non statutory/non contractual severance payments totalling £28,173 (2018 - £41,622). Individually the payments made were £14,100, £1,073 and £13,000.

### **11. TRUSTEES' AND OFFICERS' INSURANCE**

The charitable company has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

**Tenterden Schools Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted Fixed Assets Fund £	Restricted General funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	90,322	218,822	251,455	560,599
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	-	12,805,077	12,805,077
Other trading activities	560,932	-	162,713	723,645
Investment income	<u>2,136</u>	<u>-</u>	<u>-</u>	<u>2,136</u>
<b>Total</b>	<b>653,390</b>	<b>218,822</b>	<b>13,219,245</b>	<b>14,091,457</b>
 <b>EXPENDITURE ON</b>				
Raising funds	151,638	-	260,653	412,291
<b>Charitable activities</b>				
Academy's educational operations	<u>728,306</u>	<u>169,444</u>	<u>13,574,592</u>	<u>14,472,342</u>
<b>Total</b>	<b>879,944</b>	<b>169,444</b>	<b>13,835,245</b>	<b>14,884,633</b>
 <b>NET INCOME/(EXPENDITURE)</b>	<b>(226,554)</b>	<b>49,378</b>	<b>(616,000)</b>	<b>(793,176)</b>
 <b>Transfers between funds</b>	<b><u>(16,534)</u></b>	<b><u>16,534</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
 <b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>-</u>	<u>1,209,000</u>	<u>1,209,000</u>
<b>Net movement in funds</b>	<b>(243,088)</b>	<b>65,912</b>	<b>593,000</b>	<b>415,824</b>
 <b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<b>389,558</b>	<b>34,318,702</b>	<b>(3,753,000)</b>	<b>30,955,260</b>
 <b>TOTAL FUNDS CARRIED FORWARD</b>	<b><u>146,470</u></b>	<b><u>34,384,614</u></b>	<b><u>(3,160,000)</u></b>	<b><u>31,371,084</u></b>

## **Tenterden Schools Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2019**

#### **13. CENTRAL SERVICES**

The academy trust has provided the following central services to its academies during the year:

- management services
- human resources
- financial services
- legal services
- educational support services

The trust charges for these services on the basis of 4.6% (2018 - 4.2%) of General Annual Grant income received.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Homewood School & Sixth Form Centre	435,680	393,740
St Michael's Church of England Primary School	27,424	25,175
Tenterden Infant School	24,836	24,884
Tenterden Church of England Junior School	<u>37,125</u>	<u>32,384</u>
	<u>525,065</u>	<u>476,183</u>

**Tenterden Schools Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Long leasehold £	Improvements to property £	Plant and machinery £
<b>COST</b>				
At 1 September 2018	31,843,361	2,227,200	369,695	25,121
Additions	-	-	511,755	-
At 31 August 2019	<u>31,843,361</u>	<u>2,227,200</u>	<u>881,450</u>	<u>25,121</u>
<b>DEPRECIATION</b>				
At 1 September 2018	-	-	185,648	21,778
Charge for year	-	-	91,254	-
At 31 August 2019	-	-	<u>276,902</u>	<u>21,778</u>
<b>NET BOOK VALUE</b>				
At 31 August 2019	<u>31,843,361</u>	<u>2,227,200</u>	<u>604,548</u>	<u>3,343</u>
At 31 August 2018	<u>31,843,361</u>	<u>2,227,200</u>	<u>184,047</u>	<u>3,343</u>
	Site Improvements £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 September 2018	13,734	110,000	68,697	34,657,808
Additions	-	-	-	511,755
At 31 August 2019	<u>13,734</u>	<u>110,000</u>	<u>68,697</u>	<u>35,169,563</u>
<b>DEPRECIATION</b>				
At 1 September 2018	1,373	91,730	68,696	369,225
Charge for year	<u>1,966</u>	<u>6,090</u>	<u>1</u>	<u>99,311</u>
At 31 August 2019	<u>3,339</u>	<u>97,820</u>	<u>68,697</u>	<u>468,536</u>
<b>NET BOOK VALUE</b>				
At 31 August 2019	<u>10,395</u>	<u>12,180</u>	<u>-</u>	<u>34,701,027</u>
At 31 August 2018	<u>12,361</u>	<u>18,270</u>	<u>1</u>	<u>34,288,583</u>

The Trust occupies land and the buildings provided to it by the Diocesan Trustees under a license (also referred to as a Church Supplemental Agreement) which contains a two-year notice period. Having considered the fact that the Trust occupies the land and buildings by a license that transfers to the Trust no rights or control over the site save that of occupying it at the will of the Diocesan Trustees under the agreements, the Trustees have concluded that the value of the land and buildings occupied by the Trust will not be recognised or valued within fixed assets.



**Tenterden Schools Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**15. STOCKS**

	2019	2018
	£	£
Clothing	<u>39,009</u>	<u>41,743</u>

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Trade debtors	102,930	78,845
Other debtors	-	4,633
VAT	<u>128,340</u>	<u>131,678</u>
	<u>231,270</u>	<u>215,156</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Trade creditors	462,830	304,804
Social security and other taxes	189,398	193,955
Other creditors	370,507	470,859
Accrued expenses	<u>254,796</u>	<u>265,955</u>
	<u>1,277,531</u>	<u>1,235,573</u>

**Deferred income**

	2019	2018
	£	£
Deferred income at 1 September 2018	112,658	115,698
Released from previous years	(112,658)	(115,698)
Resources deferred in the year	<u>89,966</u>	<u>112,658</u>
Deferred income at 31 August 2019	<u>89,966</u>	<u>112,658</u>

At the balance sheet date the academy trust was holding funds received in advance in respect of trip income and voluntary fund income.

**18. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	29,583	53,771
Between one and five years	<u>69,062</u>	<u>98,646</u>
	<u>98,645</u>	<u>152,417</u>

# Tenterden Schools Trust

## Notes to the Financial Statements - continued for the Year Ended 31 August 2019

### 19. MEMBERS' LIABILITY

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

### 20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2019		
	Unrestricted fund	Restricted Fixed Assets Fund	Restricted General funds
	£	£	£
Fixed assets	-	34,701,027	-
Current assets	1,215,949	1	-
Current liabilities	(1,277,531)	-	-
Pension liability	-	-	(4,779,000)
	<u>(61,582)</u>	<u>34,701,028</u>	<u>(4,779,000)</u>
			<u>29,860,446</u>

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

	2018		
	Unrestricted fund	Restricted Fixed Assets Fund	Restricted General funds
	£	£	£
Fixed assets	-	34,288,583	-
Current assets	1,382,043	96,031	-
Current liabilities	(1,235,573)	-	-
Pension liability	-	-	(3,160,000)
	<u>146,470</u>	<u>34,384,614</u>	<u>(3,160,000)</u>
			<u>31,371,084</u>

### 21. MOVEMENT IN FUNDS

	At 1.9.18	Net movement in funds	Transfers between funds	At 31.8.19
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	146,470	(208,052)	-	(61,582)
<b>Restricted funds</b>				
Pension reserve	(3,160,000)	(1,619,000)	-	(4,779,000)
Fixed Asset Fund	<u>34,384,614</u>	<u>316,414</u>	-	<u>34,701,028</u>
	<u>31,224,614</u>	<u>(1,302,586)</u>	-	<u>29,922,028</u>
<b>TOTAL FUNDS</b>	<u>31,371,084</u>	<u>(1,510,638)</u>	-	<u>29,860,446</u>

**Tenterden Schools Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**21. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	654,577	(862,629)	-	(208,052)
<b>Restricted funds</b>				
School voluntary fund	447,189	(447,189)	-	-
General Annual Grant	12,247,608	(12,247,608)	-	-
Other DfE/ESFA grants	182,348	(182,348)	-	-
Other Government Grants	473,781	(473,781)	-	-
Other income	13,740	(13,740)	-	-
Fixed Asset Fund	560,918	(244,504)	-	316,414
Pension reserve	-	(659,000)	(960,000)	(1,619,000)
	13,925,584	(14,268,170)	(960,000)	(1,302,586)
<b>TOTAL FUNDS</b>	<u>14,580,161</u>	<u>(15,130,799)</u>	<u>(960,000)</u>	<u>(1,510,638)</u>

**Comparatives for movement in funds**

	At 1.9.17 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
<b>Unrestricted Funds</b>				
General fund	389,558	(226,554)	(16,534)	146,470
<b>Restricted Funds</b>				
Pension reserve	(3,753,000)	593,000	-	(3,160,000)
Fixed Asset Fund	<u>34,318,702</u>	<u>49,378</u>	<u>16,534</u>	<u>34,384,614</u>
	30,565,702	642,378	16,534	31,224,614
<b>TOTAL FUNDS</b>	<u>30,955,260</u>	<u>415,824</u>	<u>-</u>	<u>31,371,084</u>

**Tenterden Schools Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**21. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	653,390	(879,944)	-	(226,554)
<b>Restricted funds</b>				
School voluntary fund	367,664	(367,664)	-	-
General Annual Grant	12,135,269	(12,135,269)	-	-
Other DfE/ESFA grants	160,363	(160,363)	-	-
Pension reserve	-	(616,000)	1,209,000	593,000
Other Government Grants	509,442	(509,442)	-	-
Other income	46,507	(46,507)	-	-
Fixed Asset Fund	218,822	(169,444)	-	49,378
	<u>13,438,067</u>	<u>(14,004,689)</u>	<u>1,209,000</u>	<u>642,378</u>
<b>TOTAL FUNDS</b>	<u><u>14,091,457</u></u>	<u><u>(14,884,633)</u></u>	<u><u>1,209,000</u></u>	<u><u>415,824</u></u>

# Tenterden Schools Trust

## Notes to the Financial Statements - continued for the Year Ended 31 August 2019

### 21. MOVEMENT IN FUNDS - continued

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy. The Academy is allowed to use the GAG for general purposes at the discretion of the Academy, including capital purposes.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

The pension liability has been charged to restricted reserves. This is because the obligation to fund the deficit is met from the General Annual Grant funding which is accounted for through restricted reserves and therefore it is more appropriate to charge the deficit to restricted reserves. The same treatment is applied to borrowing obligations taken over from the Local Authority.

Amounts included within Voluntary Income, Other Income and amounts received from Local Government are for specific projects undertaken by the Academy. Restricted fixed asset funds were funded by Government Grants and a transfer from restricted general funds.

#### Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Homewood School & Sixth Form Centre	(80,609)	166,034
St Michael's Church of England Junior School	74,849	28,080
Tenterden Infants School	10,430	3,168
Tenterden Church of England Junior School	(3,824)	224
Central Services	<u>(62,428)</u>	<u>(51,036)</u>
Total before fixed assets and pension reserve	(61,582)	146,470
Restricted fixed assets fund	34,701,028	34,384,614
Pension reserve	<u>(4,779,000)</u>	<u>(3,160,000)</u>
	<u><u>29,860,446</u></u>	<u><u>31,371,084</u></u>

The academy trust is carrying a net deficit of £61,582 on unrestricted funds. The reasons for this and the actions being taken to return these funds to surplus are detailed in the Financial Review section of the Strategic Report which is set out on page 4 of the Report of the Trustees.

# Tenterden Schools Trust

## Notes to the Financial Statements - continued for the Year Ended 31 August 2019

### 21. MOVEMENT IN FUNDS - continued

#### Total cost analysis by academy

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £
Homewood School & Sixth Form Centre	7,228,743	1,243,175	607,659
St Michael's Church of England Junior School	497,223	55,486	17,511
Tenterden Infants School	569,163	78,433	18,386
Tenterden Church of England Junior School	690,490	78,278	23,638
Central Services	32,489	418,799	12,729
Academy Trust	<u>9,018,108</u>	<u>1,874,171</u>	<u>679,923</u>

	Other costs (excluding ) depreciation £	Total 2019 £	Total 2018 £
Homewood School & Sixth Form Centre	2,261,560	11,341,137	11,164,038
St Michael's Church of England Junior School	135,046	705,266	763,400
Tenterden Infants School	130,279	796,261	850,437
Tenterden Church of England Junior School	173,952	966,358	941,370
Central Services	99,447	563,464	500,736
Academy Trust	<u>2,800,284</u>	<u>14,372,486</u>	<u>14,219,981</u>

### 22. PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £170,318 were payable to the schemes at 31 August 2019 (2018 - £170,838) and are included within creditors.

#### Teachers' pension scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis. These contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

# Tenterden Schools Trust

## Notes to the Financial Statements - continued for the Year Ended 31 August 2019

### 22. PENSION AND SIMILAR OBLIGATIONS - continued

#### *Valuation of the Teachers' Pension Scheme*

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £1,155,000 (2018: £915,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

#### **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 2019 was £676,000 (2018: £635,000), of which employer's contributions totalled £518,000 (2018: £486,000) and employees' contributions totalled £158,000 (2018: £149,000). The agreed contribution rates for future years are 19.8 per cent for employers and 5.5 to 12.5 per cent for employees.

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

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Present value of funded obligations	(13,432,000)	(10,980,000)
Fair value of plan assets	<u>8,653,000</u>	<u>7,820,000</u>
	<u>(4,779,000)</u>	<u>(3,160,000)</u>
Deficit	<u>(4,779,000)</u>	<u>(3,160,000)</u>
Liability	<u>(4,779,000)</u>	<u>(3,160,000)</u>

**Tenterden Schools Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**22. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Current service cost	958,000	1,008,000
Net interest from net defined benefit asset/liability	77,000	91,000
Past service cost	138,000	-
Administrative expenses	4,000	3,000
	<u>1,177,000</u>	<u>1,102,000</u>
Actual return on Fund assets	<u>364,000</u>	<u>320,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Defined benefit obligation	10,980,000	10,705,000
Current service cost	958,000	1,008,000
Past service cost	138,000	-
Contributions by scheme participants	158,000	149,000
Interest cost	290,000	279,000
Actuarial losses/(gains)	1,111,000	(1,077,000)
Benefits paid	(203,000)	(84,000)
	<u>13,432,000</u>	<u>10,980,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Fair value of scheme assets	7,820,000	6,952,000
Interest on assets	213,000	188,000
Contributions by employer	518,000	486,000
Contributions by scheme participants	158,000	149,000
Return on assets less interest	151,000	132,000
Benefits paid	(203,000)	(84,000)
Administrative expenses	(4,000)	(3,000)
	<u>8,653,000</u>	<u>7,820,000</u>



**Tenterden Schools Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**22. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Actuarial gains/(losses)	(960,000)	1,209,000
	<u>(960,000)</u>	<u>1,209,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Equities	5,898,000	5,331,000
Gilts	62,000	60,000
Other Bonds	781,000	694,000
Property	1,009,000	967,000
Cash	231,000	239,000
Absolute Return Fund	672,000	529,000
	<u>8,653,000</u>	<u>7,820,000</u>

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2018) for the year to 31 August 2019. The returns on gilts and other bonds are assumed to be gilt yield and corporate bond yield (with an allowance for defaults) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2019	2018
Discount rate	1.85%	2.6%
Future salary increases	3.7%	3.8%
Future pension increases	2.2%	2.3%
Inflation assumption (CPI)0	2.2%	2.3%

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

	2019	2018
Retiring today		
Males	22.1	23.1
Females	24.0	25.2
Retiring in 20 years		
Males	23.7	25.3
Females	25.8	27.5

The estimated value of employer contributions for the year ended 31 August 2020 is £516,000.

2019

**Tenterden Schools Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**22. PENSION AND SIMILAR OBLIGATIONS  
- continued**

**Sensitivity Analysis**

The following sets out the impact of a 0.1% change in the discount rates, the long term salary increases, the pension increases and deferred revaluation and a 1 year change in the mortality age rating assumption on the present value of the total obligation and the projected service cost.

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
- Present value of total obligation	13,150,000	13,432,000	13,720,000
- Projected service cost	1,061,000	1,084,000	1,108,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
- Present value of total obligation	13,467,000	13,432,000	13,398,000
- Projected service cost	1,084,000	1,084,000	1,084,000
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
- Present value of total obligation	13,684,000	13,432,000	13,185,000
- Projected service cost	1,107,000	1,084,000	1,061,000
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
- Present value of total obligation	13,932,000	13,432,000	12,950,000
- Projected Service cost	1,122,000	1,084,000	1,047,000

**23. CONTINGENT LIABILITIES**

No contingent liabilities existed at the year end.

**24. CAPITAL COMMITMENTS**

	2019 £	2018 £
Contracted but not provided for in the financial statements	-	458,237

## **Tenterden Schools Trust**

### **Notes to the Financial Statements - continued for the Year Ended 31 August 2019**

#### **25. RELATED PARTY DISCLOSURES**

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 AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Trust operates from land and buildings at St Michael's Church of England Primary School and at Tenterden Church of England Junior School provided rent free by the Canterbury Diocesan Board of Finance. Under an agreement between the Diocese, the Trust and the Secretary of State, the Diocese would be required to give 24 months' notice from the year end if they wished to terminate these agreements. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 24 months from the year end. The trustees do not believe that the likely benefit to the Trust, that is a market rent for these properties, can be reliably measured and accordingly, no amounts have been included within income, expenditure or debtors.

Transactions with the subsidiary company Home Farm Childrens Nursery are set out in Note 27.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

#### **26. AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2019 the trust received £34,155 (2018 - £38,821) and this was all disbursed from the fund.

#### **27. HOME FARM CHILDRENS NURSERY LIMITED**

On 1 April 2014 Home Farm Childrens Nursery Limited, which operates the nursery on the Trust's land, became a subsidiary company to the Trust. This was agreed by the ESFA at the same time as a new 5 year lease was sanctioned by them, granting the nursery a continuing leasehold over the building and surrounding land. The lease has subsequently been renewed. Home Farm Childrens Nursery Limited is a charitable company limited by guarantee. The company is registered in England and Wales. The company's registered number is 05925303 and the registered charity number is 1092566.

No consideration was paid for this acquisition. At the time of acquisition, the book value (which equated to the fair value) of net assets of the subsidiary were £81,656. The trust is the member of the nursery. Home Farm Childrens Nursery Limited will present their accounts separately for the year to 31 August 2019 and these will be filed with Companies House and the Charity Commission.

As explained in note 1, the subsidiary company has not been consolidated as it is regarded as being immaterial to the group and consolidation would add unhelpful complexity to the Trust's financial statements. For the year ended 31 August 2019 total Incoming Resources in the subsidiary were £336,386 (2018- £327,489) and there was a deficit for the year of £624 (2018 - surplus of £16,119) all in unrestricted funds. The surplus is after donations made to Tenterden Schools Trust of £23,104 (2018 - £14,990), rent paid to Tenterden Schools Trust of £12,144 (2018 - £12,144) and fees for payroll maintenance paid to Tenterden Schools Trust of £1,400 (2018 - £1,200). At 31 August 2019 the subsidiary had total net assets of £70,029 (2018 - £70,653). All of these net assets represent unrestricted funds, with fixed assets of £5,129 (2018- £5,723) and net current assets of £64,900 (2018 - £64,930).

Home Farm Childrens Nursery Limited's Memorandum of Association provides that the income and property of the Company shall be applied solely towards the promotion of the objects of the Company, being to provide day care and education for infants and pre-school children and that no profit from the Company is paid or transferred to the members of the Company. Thus, were the subsidiary to be included within consolidated accounts, all amounts would be treated as a restricted fund, to provide for the objects of the subsidiary.