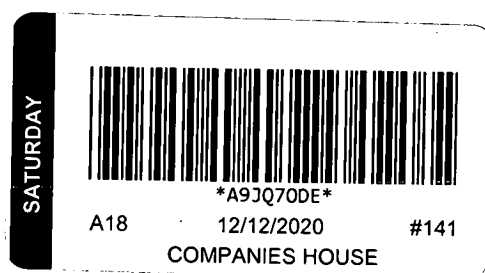


REGISTERED COMPANY NUMBER: 07736448 (England and Wales)

**Report of the Trustees and
Financial Statements for the Year Ended 31 August 2020
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

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for the Year Ended 31 August 2020**

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Tenterden Schools Trust

Reference and Administrative Details for the Year Ended 31 August 2020

| | | |
|------------------------------------|---|---|
| Members | Mrs V Hardy Mr I Kirkland | Rev Canon L Hammond The Diocese of Canterbury Co Limited |
| Trustees/Board | Mrs V Hardy Mr D Harding Mr M Hill Mr G Jones Mrs S Lees Mrs S Moon Mrs N Paterson Ms K Smith Mr C Thomas Mr N Vincer Ms J Vos | Chair (Diocesan Rep for St Michael's) Director Director Director (Appointed 13 July 2020) CEO Director (Resigned 7 February 2020) Diocesan Director Director Director Director Director |
| Secretary | Mrs K Douglas | |
| Senior executive team | Mrs S Lees Mr J Single Ms S Crinnion Mrs S Williamson Mrs T McIntosh Mr N Leggat Mrs S King Mr S Pusey Mrs N Callingham Mr M Seymour | CEO Principal (Homewood) Executive Head (Tenterden Primary Federation) Headteacher (St Michael's C of E Primary school) Head of Schools (Tenterden Primary Federation) Head of School (Rolvenden) Vice Principal (Homewood) Vice Principal (Homewood) HR Director Finance Director |
| Registered Office | Homewood School & Sixth Form Centre Ashford Road Tenterden Kent TN30 6LT | |
| Company Registration Number | 07736448 | (England and Wales) |
| Auditors | McCabe Ford Williams Invicta Business Centre Monument Way Orbital Park Ashford Kent TN24 0HB | |
| Bankers | Lloyds TSB Plc 81 High Street Ashford TN24 8SS | |

Tenterden Schools Trust
Report of the Trustees
for the Year Ended 31 August 2020

The trustees who are also directors of the charitable company for the purposes of the Companies Act 2006, present their report with the financial statements of the trust for the year ended 31 August 2020. 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 2019) 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 2019/20 were set out in the Trust Development Plan for this period. Some of these areas are noted as follows:

Strategic Development of the trust

- Deliver school improvement strategy to ensure that all schools meet or exceed national standards for attainment and progress in 2020.
- Add at least two primary schools to the trust.
- Deliver all 2019/20 budgets without deficits and set balanced budgets for 2020/21.
- Make all necessary preparations to support schools entering the Ofsted and SIAMS inspection windows.
- Progress towards further growth in 2020/21

0 - 19 Learning Journey

- To boost pupils' access to the curriculum through an improved understanding of vocabulary.
- To continue to develop a coherent 0-19 learning journey across the trust.
- Develop programmes to identify and support vulnerable learners across key stages.
- To identify and agree a 0-19 learner development pathway for TST schools.

Public benefit

The trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

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 2020

STRATEGIC REPORT

Achievement and performance

The Tenterden Schools Trust (TST) has been established since 1 December 2016. 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, Rolvenden Primary School and Home Farm Nursery School.

Tenterden Primary Federation - Due to the COVID situation, there were no SATs at KS1 or KS2 in 2020. Tracking data prior to partial school closure in March indicated that good progress was being made in all year groups and we were expecting to see positive progress measures in KS2 for the first time. Tenterden CE Junior School had a very successful SIAMs inspection in February 2020, with the outcome overall "Good" with excellent community engagement. The Junior School also achieved the Kent Award for Emotional Resilience and Emotional Wellbeing. There has been excellent communication with parents during period of lockdown.

St Michael's CE Primary School - Due to the COVID situation, there were no SATs at KS1 or KS2 in 2020. Tracking data prior to partial school closure in March indicated that whilst overall outcomes were tracking below national, this was hugely skewed by the arrival of 11 out of 26 Year 6 pupils new to the school. For those who had been at the school for longer, data was stronger with the percentage of greater depth well above national average. A new curriculum was implemented and was already showing an impact in the engagement and progress made by students. We are confident this will be demonstrated in the next set of public SATs outcomes. There has been excellent communication with parents during the period of partial closure due to COVID.

Rolvenden Primary School - Due to the COVID situation, there were no SATs at KS1 or KS2 in 2020. Tracking data prior to partial school closure in March confirmed our concerns that children at Rolvenden were lagging behind in their progress across all year groups. An intensive programme of curriculum reform, new approaches to the teaching of Maths and Literacy and clear policies on behaviour and assessment have already had an impact on progress, particularly at KS1, but the impact on outcomes in public SATs exams is not yet confirmed. Very good relationships with parents were secured during period of partial closure due to COVID.

Homewood - There were no public exams in 2020 due to the COVID crisis. However, a rigorous process was undertaken to produce Centre Assessed Grades for every student in every subject. These were initially subjected to a Government algorithm which was designed to create a set of national results in line with the previous year. However, this led to some glaring errors and in the end, all students nationally were issued their CAGs, plus any enhancements from the Government algorithm, but with no CAG being lowered by that system. We are encouraged that Year 11 outcomes at Homewood show a positive Progress 8 for the first time and we look forward to seeing this confirmed in the next set of public exams, possibly in 2021. Year 13 results confirmed the strength of sixth form achievement in recent years with another set of excellent outcomes. For the first time, a Homewood student was successful in gaining a place at Cambridge University where she will be reading English. Significant curriculum development work was undertaken during the year and a new three year KS3 was ready to launch for September 2020. Very effective development of the Google classroom ensured that home learning could be very successfully managed during the period of partial closure.

Recruitment into Year 7 at Homewood has been strong in recent years, and reached a new high in 2020 with 394 in Year 7 on census date in October 2020. Unfortunately, 6th form numbers suffered because of the difficulty in supporting Year 11 students in making their choices during COVID. There were 169 in Year 12 on census day. St Michael's and Tenterden Infant School remain below PAN in Year R, Rolvenden Primary School is one over PAN.

COVID-19: The Trust schools worked closely together during the period of partial closure due to COVID. A Tenterden Schools Trust Small School was set up in the Kirk Building on the Homewood site to cater for children of key workers and vulnerable children from all our schools immediately following lockdown in March. The provision continued through the Easter holidays and half-term during which time we accessed the local Kench Hill facilities. The Small School was expanded in June to provide on-site learning for other year groups, including Year 6, Year 10 and Year 12. A full programme of remote learning was provided for all other pupils, either via the Google classroom (Homewood) or through Dojo or Dropbox (primary schools). Free School Meals were provided for all eligible pupils prior to the rollout of the Government's scheme. By the start of the September term, all schools were ready to fully open on their own sites. Detailed planning documentation and risk assessments were prepared and agreed by the Trust Board and these provided the structure for the detailed procedures put in place on and off site. This collaborative approach allowed us to provide support for staff across the Trust, maximise the efficiency of our Health and Safety procedures and ensure that the best use of staff and facilities could be achieved.

Tenterden Schools Trust

Report of the Trustees for the Year Ended 31 August 2020

The Trust continues to maintain its buildings to a high standard and we are delighted to report the success of the CIF bids made during 2019-20. A total of £2.6m was secured to tackle projects across all our Trust schools, including fire safety upgrades, electrical upgrades, roofing repairs and window replacements. Further bids are now in preparation for 2020-21. In addition, Homewood has been in receipt of S106 funds pertaining to local housing developments and a further sum of £330k from the sale of a parcel of land behind the fire station. We are therefore in a much stronger position than in previous years to invest in the maintenance and development of our building stock across the Trust.

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

Key financial performance indicators

The Trust schools' Key performance indicators are set out in the attached Appendix 5.

Financial review

Financial position

In common with most educational establishments 2019/20 was a difficult year financially. Whilst the first part of the national funding formula helped in all schools, the main secondary and primary school per pupil increases will not be seen until September 2021 and there was no additional capital grant this year. In addition, the impact of COVID-19 was significant. Whilst the trust was able to claim back £46k of funds towards meeting the costs of COVID management, with losses on lettings of some £50k across the almost six months of closure of facilities and other unclaimable costs, in total the negative effect of the virus financially across the Trust was circa £130k and much higher than the reclaimed figure. During lockdown, the trust initially ran a small school for pupils of key workers and vulnerable students. Then, based at Homewood school, the primary school year 6 pupils across all primaries attended from June plus also years 10 and 12 at Homewood attending on some days. The trust had a good year when considered against this challenging backdrop, with a surplus of £367k for the year in the management accounts which included the sale of a small plot of land as agreed by the ESFA. The following reconciliation shows the management accounts surplus through to the figures in the audited accounts. On November 1st Rolvenden primary school joined the trust and has worked well to show a year end surplus position.

Funds Reconciliation - Year ended 31 August 2020

| | Home- wood | Tent. Infants | Tent. Juniors | Rolvenden | St Michael's | Central | Total |
|--|---------------|------------------|------------------|-----------|-----------------|----------|-----------|
| Surplus per management accounts | 316,985 | (6,048) | 13,842 | 25,611 | (45,841) | 63,214 | 367,763 |
| Transfers to/from Restricted fixed asset fund: | | | | | | | |
| Proceeds from disposal of land | (330,000) | - | - | - | - | - | (330,000) |
| Rental of mobile classrooms | 26,664 | - | - | - | - | - | 26,664 |
| Professional fees | 12,799 | - | - | - | - | - | 12,799 |
| Capital Spend on Improvements | - | - | - | - | 14,716 | - | 14,716 |
| Capital Development grants | (40,090) | (5,519) | (6,677) | (5,170) | (5,530) | - | (62,986) |
| Unrestricted for the year | (13,642) | (11,567) | 7,165 | 20,441 | (36,655) | 62,214 | 28,956 |
| Unrestricted brought forward | (80,609) | 10,430 | (3,824) | - | 74,849 | (62,428) | (61,582) |
| Unrestricted carried forward | (94,251) | (1,137) | 3,341 | 20,441 | 38,194 | 786 | (32,626) |

Tenterden Schools Trust
Report of the Trustees
for the Year Ended 31 August 2020

STRATEGIC REPORT

The Trust carried an overall deficit position on unrestricted reserves from the year to 31 August 2019 and budgeted to clear that deficit during this financial year. We were well on course to do so, until the onset of the Covid pandemic. As mentioned above, this has cost us significantly more than we were able to recover and has been largely responsible for the deficit carried forward in both Homewood and overall. Our budget for the 2020/21 year shows that this deficit will be cleared during the year and in large part this is as a direct result of the balances held in restricted fixed asset funds. These balances are high at the year end as a result of unspent income from successful Condition Improvement Fund grants and the sale of surplus land. These balances will be used to improve the condition of the Trust's premises, in particular those on the Homewood site. Thus, less than might otherwise have been the case will be spent from unrestricted general funds on the premises.

In 2020/21 the trust will look to further build funds in the unrestricted balances. High needs funding continues to be an issue across all schools in the trust and is particularly challenging in the smaller primaries. The Central fund was adjusted by additional year end transfers and the contributions of 5.4% of GAG worked well in 2019/20. 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 2020 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. The COVID 19 outbreak will continue to have an impact in 2020/21 and if it continues to have an adverse cost and income affect across the whole year (which is likely) this will be a major challenge.

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 2019/20 reflect the census numbers in October 2018.

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. There is likely to be a significant increase in pupil premium from the January 2021 census given the economy and job losses following the COVID 19 situation.

Investment policy and objectives

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 2019/20 there were no investments made on the money market. All funds were held in current account balances but there are plans to use the money market again from November 2020 in line with the cash flow projections. Short and longer term investments are available via Lloyds Bank PLC.

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

Tenterden Schools Trust
Report of the Trustees
for the Year Ended 31 August 2020

STRATEGIC REPORT

Financial review

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 2019/20 year this calculates at £438k based on total staff costs of £12m less the guaranteed teacher's additional pension grant. As staff costs are over 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 academy's costs and not just staff costs.

The audited accounts to 31 August 2020 show an improvement in the deficit in unrestricted reserves to a reduced deficit of £32k. There are significant reserves from the sale of land in the restricted fixed assets fund and the directors consider that this will mean a reduction in premises costs in the unrestricted funds in the ensuing years. Hence we feel that this can be used as a reserves balance for the purposes of the directors' reserves policy and this meets 74% of the required figure.

The deficit on the LGPS described above is not an immediate liability. Teacher pension employer contribution increases from 16.48% to 23.6% occurred in September 2019. These were fully funded by the DfE in 2019/20 and will be again in with the additional pensions grant in 2020/21. This will then be established in the GAG funding from September 2021.

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. 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.

Fundraising

The Trust applied for funding by way of grant bids only in 2019/20. This included funds from the Redhill Trust towards the Take Up the Challenge Student Initiative. The trust worked with professional bid writers in preparing bids for the Condition Improvement Fund. 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 2020

STRATEGIC REPORT

**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. Aspects of Brexit have been included in 2019/20 and it was necessary to include the effect of the COVID-19 outbreak in the risk register for this year also. 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 some of 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. In 2020 this was 44. 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 increased to 25 in 2019 and was 21 this year and the school has grown to 154 - up 15 in two years. We are working hard to recruit into these schools. The Junior school has a falling roll overall of 18 which follows on from a fall of 8 the previous year. It now has the small intake year from 2017 which will need managing through the budgets in 2021/22. Rolvenden came into the trust with 102 pupils but has fallen in September 2020 to 94 which will mean a challenging year in 2021/22 given the one year lag in funding. Recruitment into year 7 at Homewood was very strong this year at 394 and 26 up on last year. Sixth form numbers have fallen by 15 to 349 but it was a challenging year to recruit into year 12 with little face to face contact from late March. We anticipate good levels of recruitment into year 7 at Homewood over the next three years. Teachers pay raises have been approved for September 2020 at higher levels in the lower M scale grades than budgeted but overall at 3.1% fit close to the budgeted increases of 3%. From 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 with a separate pensions grant until September 2021 when it will be incorporated into the general grant.

Financial risks are regularly assessed and the Trust is already working on its plans for 2021/22 and thereafter. Overall GAG funding in 2020/21 has increased across the trust with the first of three tranches of additional funding agreed by the Government. In particular, this is better in the secondary sector although all schools have benefited. Despite the increases due in 2021 and 2022, we do have some challenges with smaller rolls in some schools. With salaries increasing, general costs also moving up and additional COVID-19 costs, finances in 2020/21 will require close management. The Trust will need to manage the reduced pupil numbers in Rolvenden and the Tenterden Junior school as these will hit budgets hard from 2021. The Infant school should grow a little in the next few years. Rolvenden has a school establishment of 98 and is only 4 under full establishment where it should recover to as it is a popular village school. St. Michael's has grown well over the last two years and it is hoped that we can sustain that growth. Homewood stands well placed despite the disappointment of a requires improvement overall Ofsted in September 2019. To support KCC the school will go over PAN in offering 420 places in September 2021 and had the best recruitment ever in 2020. The sixth form has settled down to around the 350 level. Demand will be high over the next three years according to the commissioning plan despite the potential new secondary school at Chilmington. That has always been an area of concern but it does seem that the demand for places will continue which is excellent.

Financial risks in terms of payments by debtors are low and cash flow risk is acceptable and the Trust has now built up a reasonable level of free reserves but this is always an area that is closely monitored with weekly cash flow forecasts etc. The main risk to the trust apart from the number of pupils is the provision of the same level of additional income streams. The COVID 19 impact has seen a fall in lettings and this underlines the reliance of the trust on these additional income areas. 2018/19 saw a strong performance in these areas but 2019/20 was difficult with almost six months of closure of the 3G pitch and theatre at Homewood and the closure of the primary schools for lettings and before and after school clubs. The trustees do expect a fall in income in 2020/21 from these areas and this is a challenge going forward. There is also a risk that COVID 19 related costs bring financial pressure in 2020/21 and with additional supply teaching costs, cleaning costs and sanitising costs this will be significant. Representations have been made to the DfE for additional funding. The trust is receiving COVID catch up funding in all schools in 2020/21 to support all pupils in catching up from the lockdown period.

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 2020 and approved.

Tenterden Schools Trust
Report of the Trustees
for the Year Ended 31 August 2020

STRATEGIC REPORT

One area to be noted is the Local Government Pensions scheme with a deficit of £7,712,000 at year end. This represents an increase in the deficit of £2,933,000 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. The markets have been adversely affected by the COVID -19 uncertainty. In addition, there was a pension deficit of £164,000 on the transfer into the trust of Rolvenden Primary school.

Future plans

Each academy has a three year budget plan and this extends to 2022/23. 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 2020/21 shows an overall surplus of £58k 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 further Section 106 secondary school funding from new housing developments in the town which will come to the Trust. Discussions continue with regard to the future disposal of land in Appledore Road once planning permission can be secured.

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. following the success of our CIF (Condition Improvement Fund) bids in 2019-20, There are further bids being prepared for all of the schools with the need to spend on all sites to further improve the condition of our building stock.

Rolvenden Primary school joined the Trust on 1 November 2019. There are still plans to grow the trust further in due course. In 2019/20 the focus was on the consolidation of the existing trust but from 2020/21 a strategic priority will be to grow the Trust further. The Directors remain committed to the idea of a local Trust and with this in mind, we will seek engagement with local schools. The priority to engage with another secondary school is likely to be addressed through strategic partnerships rather than, in the near future, bringing another secondary school into the Trust. After one successful SIAMs inspection in 2019-20, we expect St Michael's SIAMs in the current year and we have an Ofsted inspection due at Rolvenden. Homewood will also be looking forward to their next Ofsted inspection. All these may be delayed by COVID, but we will be well prepared for them whenever they happen. Expansion remains a strategic priority for the Directors - there is the aim of taking the pupil numbers above 3000 across the trust so that fairly substantial automatic capital funding can be obtained. and it is the Directors' view that growth will benefit the education of pupils in both the primary and secondary sectors. This has been clearly demonstrated already in the experience of Rolvenden, now part of the Trust and benefiting from additional financial investment, strong leadership and a rigorous approach to improving teaching and learning and outcomes for children. We have a model which can now be extended to other schools, thus supporting strong educational provision in the area. In planning for further expansion, the Directors will ensure that any new schools joining the Trust can retain their individual ethos appropriate to the community they serve, whilst working together with the other Trust schools under a shared vision and shared values, with a focus on high quality teaching and learning, inclusion, strong links with the community and a diverse and exciting curriculum.

The Trust is developing a succession plan for its future leadership, with the view to appointing a full-time CEO on the retirement of the present postholder.

Tenterden Schools Trust

Report of the Trustees for the Year Ended 31 August 2020

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.

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).

Rolvenden 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.

Tenterden Schools Trust
Report of the Trustees
for the Year Ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

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 as 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 charitable company 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 2020.

Tenterden Schools Trust
Report of the Trustees
for the Year Ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Relevant union officials

| | |
|--|--------------------------------------|
| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
| 1 | 1 |

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

| | |
|-----------------------------|------------|
| | £ |
| Total cost of facility time | 66 |
| Total pay bill | 12,524,245 |

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

$$(\text{total cost of facility time} \div \text{total pay bill}) \times 100 \quad 0\%$$

Paid trade union activities

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

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

Related parties

Home Farm Children's Nursery Limited

The nursery is situated on the school site and there are six directors who are school 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 Homewood School & Sixth Form Centre on 1 April 2014. It has an annual turnover of about £330k and employs 13 staff. During this period the nursery made no donations to Homewood school or the trust. The nursery accounts show a small deficit of £10k for the twelve months to 31 August 2020 and strong reserves of £59k. During the year the nursery benefited from significant funding from the Coronavirus Job Retention Scheme to enable them to have a reasonable outcome financially.

Tenterden Schools Trust
Report of the Trustees
for the Year Ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Engagement with employees

In discharging its obligations under The Companies (Miscellaneous Reporting) Regulations 2018 the Trust takes into account the need to consult with employees and to encourage employee involvement in the Trust's performance, among other considerations.

The Board regularly receives information and data from the Executive leaders with respect to the activities and considerations of each individual academy and its staff. The Board also receives regular reporting on staff absences and Health and Safety.

The Leadership teams of all academies regularly conduct Staff surveys with the support of the Human Resources department. They consult with staff as to any matters arising and report to the Board in their leadership reports. Staff are encouraged to apply to become Staff Governors of the Local Governing Bodies as vacancies arise and the Trust has an open door policy for its leadership team, which encourage staff to voice concerns or opinions throughout the year. Staff are also encouraged to speak to their governor or union representatives to similarly raise concerns or voice opinions.

The Trust provided benefits to the staff such as annual flu jabs and on-site parking.

Equal opportunities policy

The Trust is an equal opportunity organisation and is committed to take a positive stand to ensure all stakeholders have a right to equality of opportunity and achievement regardless of race and ethnicity, faith, belief and religion, disability and access, age, sex, sexual orientation, transsexualism, and marital status.

Our Equality Policy is inclusive of our whole school community, students, staff, parents/carers, visitors and partner agencies - who we have engaged with and who have been actively involved in and contributed to its development

We comply fully with legislation which protects our staff (including teachers, teaching assistants, supervisors and student teachers) from discrimination based on the protected characteristics. With regard to disability, we make such reasonable adjustments as are necessary to prevent a disabled person being at a substantial disadvantage in comparison with people who are not disabled. This includes discrimination in relation to recruitment, terms and conditions, promotions, transfers, dismissals, training and employment practices (such as dress codes) and disciplinary procedures.

We make efforts to ensure that the diversity of our workforce reflects that of our local community and wider society. In accordance with the Equality Act we do not enquire about the health of an applicant until a job offer has been made or require job applicants to complete a generic 'all encompassing' health questionnaire as part of the application procedure.

Employee involvement and employment of the disabled

Lifts, ramps and disabled toilets are installed where possible and door widths are adequate to enable wheelchair access to all main areas of the Trust. The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment, by making support resources available and through training and career development.

Tenterden Schools Trust

Report of the Trustees for the Year Ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Engagement with suppliers, customers and others

The Trust is aware that under The Companies (Miscellaneous Reporting) Regulations 2018 its needs to have an awareness of the matters in section 172(1) (a) to (f) of the Companies Act 2006 including the likely consequences of any decision in the long term, the need to foster the company's business relationships with suppliers, customers and others, and the impact of the company's operations on the community and the environment.

The Trust endeavours, where possible, and where it is appropriate to achieving Value for Money, to use local suppliers and tradespeople. By investing in the local community in this way it not only helps to sustain the local economy but also has an impact on the life and job opportunities of the trust's leavers and the families of the Trust's students.

The Finance Team of the trust ensure that suppliers are paid in a timely fashion and trade disputes are therefore rare.

The Trust works on community projects and supports students who are involved in charitable activities; the Events and Marketing Manager has developed links with local press and achievements both of the students and within the academies is celebrated.

The Trust works to ensure that where other stakeholders have any concerns these are addressed and action taken.

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.

Promoting the success of the company

The Trust Finance Director produces regular reports for the Board covering all aspects of finance and premises.

As is the remit of the Board, the Trustees scrutinise the figures and assumptions behind the detailed figures produced for each meeting.

The Trust has an Executive Leadership team, which includes the Executive leaders of all of the schools in the trust. This group are involved in both short and long term financial planning to ensure that all schools in the trust have surplus budgets and that there are sufficient day to day funds in the Trust. This would include investing in capital projects or providing additional resources in line with the Trust's educational purpose or would involve a cost reduction strategy and efficiency savings across the Trust in order to bring the reserves to the required level.

The Trust is required to complete Budget Forecast Returns for the ESFA including 3-year projections of direction of travel in financial terms. Additionally the Chair of the Trustees has a copy of the monthly management accounts for the trust and each constituent academy to review and approve.

The Trust ensures that it has adequate risk protection in the form of insurances and is a member of the Risk Protection Arrangement scheme through the ESFA.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

Tenterden Schools Trust

Report of the Trustees for the Year Ended 31 August 2020

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse Gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

| | 2019/20 |
|--|-----------|
| Energy consumption used to calculate emissions (kWh) | 3,091,963 |
| Scope 1 emissions in metric tonnes CO2e | |
| Fuel oil | 201.8 |
| Gas Consumption | 277.5 |
| Owned transport - minibuses | 8.7 |
| Total Scope 1 | 488 |
| Scope 2 emissions in metric tonnes CO2e | |
| Purchased electricity | 182.5 |
| Scope 3 emissions in metric tonnes CO2e | |
| Business travel in employee owned vehicles | 0 |
| Total gross emissions in metric tonnes CO2e | 670 |
| Intensity ratio Tonnes CO2e per pupil | 0.25 |

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The measurement in the table shown above is total gross emissions in metric tonnes CO2e per pupil as the recommended ration for the education sector.

Benchmarking for Tenterden Schools Trust

In 2019/20 the TST figure for electricity kWh per square metre was 25.9 and this compares with 40 per kWh as a benchmark figure from the CIBSE TM54 data 2008. For fossil fuels it was 74.9 against 150. The figures for the trust are thus well below the national averages.

Measures taken to improve energy efficiency

Led light fittings are being fitted where possible and are included in all electrical CIF projects going forward.

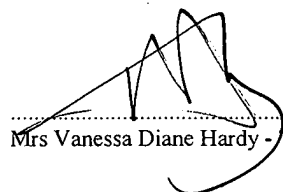
All heating systems are now controlled by an Allen Martin BMS central system.

Computers within the trust are now set on an auto shut off system.

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 8 December 2020 and signed on the board's behalf by:


Mrs Vanessa Diane Hardy - Trustee

Tenterden Schools Trust
Governance Statement
for the Year Ended 31 August 2020

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.

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

Governance

The appendices set out on pages 19 to 28 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 five times during the year. One meeting had to be cancelled due to the immediate effect of Covid-19. 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 | 5 | 5 |
| Director (Diocesan Rep from Tenterden Juniors) | Mr D Harding | 5 | 5 |
| Director | Mr M Hill | 4 | 5 |
| Director | Mr G Jones | 1 | 1 |
| CEO | Mrs S Lees | 5 | 5 |
| Director | Mrs S Moon | 2 | 3 |
| Diocesan Director | Mrs N Paterson | 3* | 5 |
| (* cover from Diocese for 1) | | | |
| Director | Ms K Smith | 4 | 5 |
| Director | Mr C Thomas | 4 | 5 |
| Director | Mr N Vincer | 5 | 5 |
| Director | Ms J Vos | 2 | 2 |
| (Maternity leave) | | | |
| Clerk | Mrs K Douglas | 5 | 5 |

Tenterden Schools Trust
Governance Statement
for the Year Ended 31 August 2020

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.

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 2020). 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 Homewood - the Principal can agree a new commitment up to £15k.
- 7 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.
- 8 Primary schools - all budgets are agreed with the Executive Head/Head for the year.

All of these 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 to 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 2019/20 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. From 2020/21 the Trust will employ a separate firm of auditors to undertake checks as defined in the Financial manual. These will include non-financial areas in these internal scrutiny checks. This has been necessary as a result of the recent update to the ICAEW Ethical Standard.

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 2019/20 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 2020/21. Examples of this in 2019/20 are detailed below:

Tenterden Schools Trust
Governance Statement
for the Year Ended 31 August 2020

- 1 For each of the CIF (Condition Improvement Fund) bids three quotations have been obtained by the consultants involved for each project across all of the trust schools to manage costs.
- 2 Broadband packages for the trust. Rolvenden agreed upon conversion and the rest of trust from April 2021 based on three separate quotations and group savings plus faster broadband speeds.
- 3 Premises improvements- a new wall in the Junior school reception area (safeguarding project) - quotations at c£10k but undertaken in-house by caretaking team at a cost of materials only of £2k.

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 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The 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 trustees considered the need for a specific internal audit function and decided not to appoint a separate internal auditor for 2019/20. The trustees 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 academy 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 trustees' financial responsibilities. In October 2020 the trustees appointed Williams Giles, a firm of Chartered Accounts in Sittingbourne, Kent to undertake the internal scrutiny checks during the 2020/21 academic year in line with the Financial Regulations Manual. This will include internal audit of some non-financial areas.

Tenterden Schools Trust
Governance Statement
for the Year Ended 31 August 2020

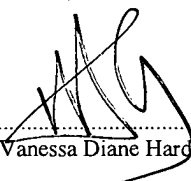
Review of Effectiveness

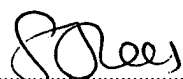
As Accounting Officer, Mrs S Lees has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- * 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.

Approved by order of the members of the board of trustees on ...8 December 2020... 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 2020**

| | | |
|------------|---|---|
| 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 2020

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

| |
|---|
| 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 Graham Jones – from July 2020 Sue Moon – until Feb 2020 Niki Paterson Kate Smith Clive Thomas Neil Vincer Jo Vos – maternity from Feb 2020 |
|---|

| Homewood Local GB | St Michaels Local GB |
|---|---|
| Jonathan Capstick Parent | Nick Brooks Parent |
| Gillian Guthrie Community | Hilary Honeysett Foundation |
| Louise Jennings Parent | Roy Isworth Co-opted |
| Jeremy Single Principal | J Pashkin Associate |
| Sue Mash Partnership | Gill Pont Parent |
| Shabana Raman Staff – until Dec 19 | Diana Tyler Foundation |
| Jane Ross Smith Staff – support | Joanna Vos Co-opted |
| Kate Smith Partnership | Sara Williamson Head Teacher |

| TPF Local GB | Rolvenden Local GB |
|---|---|
| Kimberely Craggs Staff | Joe Beardsley |
| Sam Crinnion Exec Head Teacher | Sam Crinnion Exec Head Teacher |
| Duncan Edgar Community | Julie Hodgkins |
| David Harding Community | Antonius Kox Parent |
| Emma Isworth Foundation | Susan Morgan Co-opted |
| Louise Kavanagh Parent | Nikki Payne Co-opted |
| Maureen Kavanagh Foundation | Jennifer Webb |
| Nicholas Leggatt Associate | Jenny Wynter |
| Tina McIntosh Associate | |
| Seren Welch Parent | |

Tenterden Schools Trust

**Summary of Key Delegated Responsibilities
for the Year Ended 31 August 2020**

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

Tenterden Schools Trust

**Summary of Key Delegated Responsibilities (continued)
for the Year Ended 31 August 2020**

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

Tenterden Schools Trust
Leadership Team – Areas of Responsibility

| Chief Executive Officer | | | | | | |
|---|---|---|---------------------------------|--|---|---|
| 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, line management of Headteachers, Trust Finance Director and Trust HR Director | | | | | | |
| Principal Homewood The Principal is directly responsible for standards and outcomes; curriculum; approval of staff absence; fixed term and permanent exclusion of students; Performance Management of staff; quality assurance and self-evaluation; safeguarding, employment of staff to the Academy, links with Kent Association of Headteachers and Local Education Authority, liaison with Local Governing Body. The Principal supports the CEO in the strategic development of the Multi-Academy Trust | | Executive Headteacher Tenterden Primary Federation and Rolvenden Primary School MAT responsibilities: Primary School Lead for Standards and Achievement The EH supports the CEO in the strategic development of the Multi-Academy Trust | | Headteacher St Michael's Primary School MAT responsibilities: Primary School Lead for Staff Development The HT supports the CEO in the strategic development of the Multi-Academy Trust | Trust Finance Director | Trust HR Director |
| Vice Principal (Learning) | Vice Principal (Students) | Head of School TPF | Head of School Rolvenden | | | |
| MAT responsibilities <ul style="list-style-type: none"> 0-19 Curriculum and Learning journey Homewood responsibilities <ul style="list-style-type: none"> Learning HDT Line management of KS4 Heads of College Curriculum Development QA in Teaching and Learning Timetable | MAT responsibilities <ul style="list-style-type: none"> 0-19 Student welfare overview Homewood responsibilities <ul style="list-style-type: none"> Student HDT Inclusion Tutoring Student Welfare Attendance PSHE/Citizenship Ethos for Learning Multi-agencies Alternative Curriculum Transport – students (with Colleges) Healthy Schools oversight | The EH and Heads of School are responsible for standards and outcomes; curriculum; 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, liaison with Local Governing Body | | The HT is responsible for standards and outcomes; curriculum; 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; liaison with Local Governing Body | MAT responsibilities <ul style="list-style-type: none"> Legal and contractual aspects of MAT developments Finance lead across the Trust. Premises lead across the Trust. Health and Safety ICT procurement Contracts Management Income Generation Marketing Trips and Visits – finance and insurance | MAT responsibilities: <ul style="list-style-type: none"> Oversight of all HR matters across the Trust For Homewood: <ul style="list-style-type: none"> Staff/Events HDT Leader Safe Recruitment Personnel liaison Contracts Single Central Record CRB compliance Staff support Overseeing Staff duties Overseeing Staff Planner and Staff Handbook Overseeing Blue Sky |

| Assistant Vice Principal Partnerships | Assistant Vice Principal Teaching and Learning | Assistant Vice Principal Staff Development | Director of I-College | Director of Learning Support | Assistant Vice Principal Inclusion |
|---|---|---|--|---|---|
| <ul style="list-style-type: none"> • Head of World College • Nursery School • Looked After Children/EAL • Child Protection advisor • International links • Trips and Visits – EVC • Duke of Edinburgh • Community links | <ul style="list-style-type: none"> • Learning HDT Leader • Head of Discovery College • Primary Liaison and Admissions • Curriculum Development • QA in Teaching and Learning • Co-construction of Learning • Teaching Staff Training (with AVP Staff Development) • Overview of Masterclasses | <ul style="list-style-type: none"> • Head of Arts College • Staff Training including budget management (with AVP T&L) • Leadership Development Programme • TSST programme • ITT programme • NQT induction • Research and Development • Kent and Medway Teaching Schools Network | <ul style="list-style-type: none"> • Head of I-College • IBCP Co-ordinator • Teach Early • Manager of Student Support Centre <div> Director of 6th Form College <ul style="list-style-type: none"> • Head of 6th Form College • IAG and Careers • Apprenticeships </div> | <ul style="list-style-type: none"> • SENCO • Learning support • Assessment of SEND • Interventions (SEND) • Annual reviews • Exam access arrangements • Ashford LIFT Meetings • KS2/KS3 Transition (SEND) | <ul style="list-style-type: none"> • Behaviour for Learning across the school • Focus on Fundamentals • Alternative Curriculum provision • Oversight of LIFE Centre • Lead Behaviour Professional • Alternatives to Exclusion • Ashford Screening Meeting representative |
| Director of Student Development | Primary Deputy Headteacher | Primary Deputy Headteacher | Primary SENCOs | | |
| <ul style="list-style-type: none"> • Head of Enterprise College • Student Leadership <ul style="list-style-type: none"> ◦ Student Groups ◦ Health Champions ◦ Charity events ◦ Staff appointments • Character development | <ul style="list-style-type: none"> • Curriculum and Learning • Line management of English, Maths and Science • Curriculum Development • English Leader • Mentoring • Student Welfare • Timetable • Safeguarding/DSO • RW Inc Lead • Art and DT Leader • Year 6/Year 7 transition • Marking • Data & Achievement • Class teaching responsibility Y5 four days a week | <ul style="list-style-type: none"> • Junior Curriculum • Leading on coaching and mentoring programme (quality first teaching-Juniors) • Developing the Learning zones in the Juniors • NQT mentor • Member of the safeguarding team • Year 6/Year 7 transition • 3 days Y6 teaching commitment | <ul style="list-style-type: none"> • SEND provision • Safeguarding lead • High Needs Funding • Learning Support | | |

Tenterden Schools Trust

Method of Recruitment and Appointment of Trustees for the Year Ended 31 August 2020

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

Representative 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 2020.

Tenterden Schools Trust

**Key Performance Indicators
for the Year Ended 31 August 2020**

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 2020 (compared with 2019)

| | Measure | 2019 | 2020** |
|---------------------|--|------------|------------|
| Key Stage 4 | | | |
| | Cohort | 340 | 306 |
| | % 9-4 GCSE in English (A*-C) | 67 | 72 |
| | % 9-5 GCSE in English | 45 | 56 |
| | % 9-4 GCSE in Maths (A*-C) | 60 | 65 |
| | % 9-5 GCSE in Maths | 35 | 39 |
| | % 9-4 GCSE in Maths and English (A*-C) | 51 | 57 |
| | % 9-5 GCSE in Maths and English | 28 | 35 |
| | % English Baccalaureate | 8 | 10 |
| | Attainment 8 | 37.82 | 42.71 |
| | Progress 8 | -0.41 | 0.1 |
| Key Stage 5* | Cohort | 135 | 145 |
| | A*/A grades | 9 | 19 |
| | A*/B grades | 25 | 38 |
| | A*/C grades | 50 | 62 |
| | A*/E grades | 96 | 98 |
| | APS per examination entry (Academic) | 26.86 | 34.11 |
| | APS per examination entry (Applied) | 25.86 | 27.66 |

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

**No exams taken, outcomes based on moderated Centre Assessed Grades

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

SIAMS inspection February 2020 - outcome "Good" with excellent community engagement

| | Measure | 2019 | 2020* |
|---------------|---------------------------|------------------------|------------------------|
| | | Expected/Greater Depth | Expected/Greater Depth |
| EYFS | Good Level of Development | 63% | |
| Year 1 | Phonics | 81% | |
| Year 2 | Re-take Phonics | 71% | |
| | Reading | 82%/29% | |
| | Writing | 75%/25% | |
| | Maths | 86%/32% | |
| | RWM | 69%/22% | |
| Year 6 | Reading | 69%/36% | |
| | Writing | 83%/31% | |
| | Maths | 66%/32% | |
| | GPS | 73%/34% | |
| | RWM | 57%/20% | |
| | Progress in Reading | | |
| | Progress in writing | | |
| | Progress in Maths | | |

Tenterden Schools Trust
Key Performance Indicators
for the Year Ended 31 August 2020

| Rolvenden Primary School | | | |
|---------------------------------|---------------------------|--|--------------|
| | Measure | | 2020* |
| | | | |
| EYFS | Good Level of Development | | |
| Year 1 | Phonics | | |
| Year 2 | Re-take Phonics | | |
| | Reading | | |
| | Writing | | |
| | Maths | | |
| | RWM | | |
| Year 6 | Reading | | |
| | Writing | | |
| | Maths | | |
| | GPS | | |
| | RWM | | |
| | Progress in Reading | | |
| | Progress in writing | | |
| | Progress in Maths | | |

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 | 2020* |
|---------------|---------------------------|-------------------------------|-------------------------------|
| | | Expected/Greater Depth | Expected/Greater Depth |
| EYFS | Good Level of Development | 71% | |
| Year 1 | Phonics | 100% | |
| Year 2 | Re-take Phonics | 50% | |
| | Reading | 68%/21% | |
| | Writing | 79%/42% | |
| | Maths | 79%/42% | |
| | RWM | 63% | |
| Year 6 | Reading | 63%/13% | |
| | Writing | 63%/13% | |
| | Maths | 53%/13% | |
| | SPaG | 60%/23% | |
| | RWM | 47%/7% | |
| | Progress in Reading | | |
| | Progress in Writing | | |
| | Progress in Maths | | |

Tenterden Schools Trust
Key Performance Indicators
for the Year Ended 31 August 2020

Tenterden Schools Trust priorities for 2019-20

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

Achieved: Rolvenden Primary School joined the Trust on 1 November 2019

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

Partially achieved: no external examinations but Centre Assessed Grades show P8 = +0.1, 35% achieving 5+ in En and Ma

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

Not assessed: SATs cancelled due to COVID. Tracking at end of February shows this target was on track

Continued focus on closing gaps for PP and SEND students

Not assessed: all public exams cancelled. Some gaps closing by February, but impact of lockdown has been to widen gaps for disadvantaged

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

Not achieved: no external examinations but Centre Assessed Grades show gender gap remains high, especially in English (P8 gap of 0.98 in English, 0.63 overall)

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

Partially achieved: Recruitment very strong in Year 7, solid in Year R and lower than planned in Year 12 due to impact of COVID and Year 11 not being in school

Census data October 2020: Year R - TPF 44 St Michaels 21 Rolvenden 15; Homewood Year 7 - 393 Year 12 - 169

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

Attendance overall about 1% below target before lockdown; attendance following lockdown has been significantly higher than the national average

0-19 Curriculum developed to improve continuity at transition points

Good progress made prior to lockdown, particularly in exploring shared subject vocabulary; work curtailed by COVID situation

Tenterden Schools Trust

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2020**

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 2019.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of 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 2019.

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



.....
Mrs S Lees - Accounting Officer

Date: 8 December 2020

Tenterden Schools Trust

Statement of Trustees' Responsibilities for the Year Ended 31 August 2020

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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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 8 December 2020 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 2020 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 2019 to 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

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.

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

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.

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. 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: 10 DECEMBER 2020

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 2019 to 2020, 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 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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



Date: 10 DECEMBER 2020

Tenterden Schools Trust

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2020**

| | | | | | 2020 | 2019 |
|--|-------|---------------------------|--|-------------------------------------|---------------------|---------------------|
| | Notes | Unrestricted fund £ | Restricted Fixed Assets Fund £ | Restricted General funds £ | Total funds £ | Total funds £ |
| INCOME AND ENDOWMENTS FROM | | | | | | |
| Donations and capital grants | 2 | 14,049 | 2,693,688 | 161,766 | 2,869,503 | 484,618 |
| Transfer from Local Authority on conversion | 28 | 21,501 | 974,000 | (164,000) | 831,501 | - |
| Charitable activities | | | | | | |
| Funding for the academy's educational operations | 3 | - | - | 14,190,119 | 14,190,119 | 13,279,799 |
| Other trading activities | 4 | 477,016 | - | 140,550 | 617,566 | 815,097 |
| Investment income | 5 | 442 | - | - | 442 | 647 |
| Other income | | - | 326,117 | - | 326,117 | - |
| Total | | 513,008 | 3,993,805 | 14,328,435 | 18,835,248 | 14,580,161 |
| EXPENDITURE ON | | | | | | |
| Raising funds | 7 | 145,697 | - | 208,885 | 354,582 | 514,334 |
| Charitable activities | | | | | | |
| Academy's educational operations | 8 | 338,355 | 205,610 | 14,974,550 | 15,518,515 | 14,616,465 |
| Total | 6 | 484,052 | 205,610 | 15,183,435 | 15,873,097 | 15,130,799 |
| NET INCOME/(EXPENDITURE) | | 28,956 | 3,788,195 | (855,000) | 2,962,151 | (550,638) |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains/(losses) on defined benefit schemes | | - | - | (2,078,000) | (2,078,000) | (960,000) |
| Net movement in funds | | 28,956 | 3,788,195 | (2,933,000) | 884,151 | (1,510,638) |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | | (61,582) | 34,701,028 | (4,779,000) | 29,860,446 | 31,371,084 |
| TOTAL FUNDS CARRIED FORWARD | | <u>(32,626)</u> | <u>38,489,223</u> | <u>(7,712,000)</u> | <u>30,744,597</u> | <u>29,860,446</u> |

All activities arise from acquired and continuing operations.

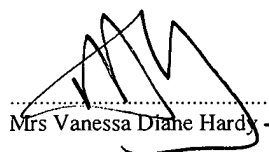
The notes form part of these financial statements

Tenterden Schools Trust

**Balance Sheet
31 August 2020**

| | Notes | 2020 £ | 2019 £ |
|--|-------|--------------------------|--------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 14 | 35,588,610 | 34,701,027 |
| CURRENT ASSETS | | | |
| Stocks | 15 | 32,558 | 39,009 |
| Debtors | 16 | 2,260,709 | 231,270 |
| Prepayments and accrued income | | 786,225 | 569,379 |
| Cash at bank and in hand | | <u>903,825</u> | <u>376,292</u> |
| | | 3,983,317 | 1,215,950 |
| CREDITORS | | | |
| Amounts falling due within one year | 17 | <u>(1,115,330)</u> | <u>(1,277,531)</u> |
| NET CURRENT ASSETS | | <u>2,867,987</u> | <u>(61,581)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 38,456,597 | 34,639,446 |
| PENSION LIABILITY | 22 | <u>(7,712,000)</u> | <u>(4,779,000)</u> |
| NET ASSETS | | <u><u>30,744,597</u></u> | <u><u>29,860,446</u></u> |
| FUNDS | 21 | | |
| Unrestricted funds: | | | |
| General fund | | (32,626) | (61,582) |
| Restricted funds: | | | |
| Pension reserve | | (7,712,000) | (4,779,000) |
| Fixed Asset Fund | | <u>38,489,223</u> | <u>34,701,028</u> |
| | | <u>30,777,223</u> | <u>29,922,028</u> |
| TOTAL FUNDS | | <u><u>30,744,597</u></u> | <u><u>29,860,446</u></u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 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 2020

| | Notes | 2020 £ | 2019 £ |
|---|-------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | (379,068) | (133,421) |
| Interest paid | | <u>(5,334)</u> | <u>(7,033)</u> |
| Net cash used in operating activities | | <u>(384,402)</u> | <u>(140,454)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (14,716) | (511,755) |
| Capital grants from DfE/EFA | | 574,708 | 198,595 |
| Sale of tangible fixed assets | | 330,000 | - |
| Interest received | | <u>442</u> | <u>647</u> |
| Net cash provided by/(used in) investing activities | | <u>890,434</u> | <u>(312,513)</u> |
| Cash transferred on conversion to an academy | | <u>21,501</u> | <u>-</u> |
| Change in cash and cash equivalents in the reporting period | | 527,533 | (452,967) |
| Cash and cash equivalents at the beginning of the reporting period | | <u>376,292</u> | <u>829,259</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>903,825</u></u> | <u><u>376,292</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 2020**

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

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities) | 2,962,151 | (550,638) |
| Adjustments for: | | |
| Depreciation charges | 97,250 | 99,310 |
| Capital grants from DfE/ESFA | (2,693,689) | (198,595) |
| Transfer from Local Authority on conversion | (831,501) | - |
| Profit on disposal of fixed assets | (326,117) | - |
| Interest received | (442) | (647) |
| Interest paid | 5,334 | 7,033 |
| Decrease in stocks | 6,451 | 2,734 |
| Increase in debtors | (127,304) | (193,577) |
| (Decrease)/increase in creditors | (162,201) | 41,959 |
| Difference between pension charge and cash contributions | 691,000 | 659,000 |
| Net cash used in operations | <u>(379,068)</u> | <u>(133,421)</u> |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.9.19 £ | Cash flow £ | At 31.8.20 £ |
|--------------------------|----------------|----------------|-----------------|
| Net cash | | | |
| Cash at bank and in hand | <u>376,292</u> | <u>527,533</u> | <u>903,825</u> |
| | <u>376,292</u> | <u>527,533</u> | <u>903,825</u> |
| Total | <u>376,292</u> | <u>527,533</u> | <u>903,825</u> |

The notes form part of these financial statements

Tenterden Schools Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2019 to 2020 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 28.

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 2020

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.

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.

Leasehold land and buildings are leased from Kent County Council for a period of 125 years. Rentals payable in respect of this lease are one peppercorn per annum. Under the terms of the leases the risks and rewards of ownership have been substantially transferred to Tenterden Schools Trust and accordingly, to reflect its use, the value of the property transferred on conversion is included in fixed assets with an appropriate credit to voluntary income within the restricted fixed asset fund. The properties were valued at fair value by professional valuers who specialise in public sector property valuation. The valuation was specifically carried out in accordance with the capital accounting requirements of the Charities SORP (FRS 102).

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.

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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.

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.

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

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.

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.

Transfer on conversion

Where assets and liabilities are received on the transfer of a newly converted academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

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.

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

Liabilities

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 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|-----------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Donations | 14,049 | 161,765 | 175,814 | 286,023 |
| Grants | - | 2,693,689 | 2,693,689 | 198,595 |
| | <u>14,049</u> | <u>2,855,454</u> | <u>2,869,503</u> | <u>484,618</u> |

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

| | 2020 £ | 2019 £ |
|----------------------------|------------------|----------------|
| Devolved Capital Grant | 62,987 | 198,595 |
| Condition Improvement Fund | <u>2,630,702</u> | - |
| | <u>2,693,689</u> | <u>198,595</u> |

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|---------------------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| DfE/ESFA revenue grant | | | | |
| General Annual Grant(GAG) | - | 11,772,276 | 11,772,276 | 11,475,986 |
| Other DfE/ESFA Grants | - | 1,545,006 | 1,545,006 | 953,969 |
| Start Up Grants | - | 25,000 | 25,000 | - |
| | - | 13,342,282 | 13,342,282 | 12,429,955 |
| Other government grant | | | | |
| Local Authority Grants | - | 646,958 | 646,958 | 473,781 |
| s106 grants | - | 144,402 | 144,402 | 362,323 |
| Other grants | - | 10,000 | 10,000 | 13,740 |
| | - | 801,360 | 801,360 | 849,844 |
| Exceptional Government Funding | | | | |
| Coronavirus exceptional support | - | 46,477 | 46,477 | - |
| | - | 14,190,119 | 14,190,119 | 13,279,799 |

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £46,477 of expenditure for premises costs, additional cleaning and free school meals. These costs are included in notes 6 and 8 below as appropriate.

4. OTHER TRADING ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|-------------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Trip income | - | 140,550 | 140,550 | 222,004 |
| Copier income | 74,327 | - | 74,327 | 108,011 |
| Farm income | 7,654 | - | 7,654 | 9,580 |
| Hire of facilities | 62,194 | - | 62,194 | 90,394 |
| Catering income | 119,024 | - | 119,024 | 149,054 |
| Shop income | 93,134 | - | 93,134 | 79,024 |
| Supply Course income | 1,100 | - | 1,100 | 100 |
| Consultancy income | 33,101 | - | 33,101 | 58,966 |
| PGCE Income | 4,568 | - | 4,568 | 8,558 |
| ICT recharges | 1,794 | - | 1,794 | 655 |
| Exam income | 2,225 | - | 2,225 | - |
| Departmental and other income | 77,205 | - | 77,205 | 71,276 |
| English and Maths Workshops | 690 | - | 690 | 14,993 |
| Other insurance claims | - | - | - | 2,482 |
| | <u>477,016</u> | <u>140,550</u> | <u>617,566</u> | <u>815,097</u> |

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

5. INVESTMENT INCOME

| | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|---------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Short term deposits | <u>442</u> | <u>-</u> | <u>442</u> | <u>647</u> |

6. EXPENDITURE

| | Non-pay expenditure | | | 2020 | 2019 |
|--|---------------------|------------------|---------------------|-------------------|-------------------|
| | Staff costs £ | Premises £ | Other costs £ | Total £ | Total £ |
| Raising funds | | | | | |
| Costs incurred by trading for a fundraising purpose | | | | | |
| Direct costs | - | - | 354,582 | 354,582 | 514,334 |
| Charitable activities | | | | | |
| Academy's educational operations | | | | | |
| Direct costs | 9,961,181 | - | 993,228 | 10,954,409 | 10,152,928 |
| Allocated support costs | <u>2,595,985</u> | <u>1,025,463</u> | <u>942,658</u> | <u>4,564,106</u> | <u>4,463,537</u> |
| | <u>12,557,166</u> | <u>1,025,463</u> | <u>2,290,468</u> | <u>15,873,097</u> | <u>15,130,799</u> |

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

| | 2020 £ | 2019 £ |
|---|---------------|---------------|
| Auditors' remuneration | 24,000 | 24,000 |
| Auditors' remuneration for non audit work | 4,910 | 3,100 |
| Depreciation - owned assets | 97,251 | 99,311 |
| Surplus on disposal of fixed assets | (326,117) | - |
| Operating lease rentals | <u>45,970</u> | <u>53,771</u> |

7. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

| | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|---------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Purchases | 79,647 | 208,885 | 288,532 | 428,653 |
| Copying fundraising | <u>66,050</u> | <u>-</u> | <u>66,050</u> | <u>85,681</u> |
| | <u>145,697</u> | <u>208,885</u> | <u>354,582</u> | <u>514,334</u> |

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|---------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Direct costs | 314,832 | 10,639,577 | 10,954,409 | 10,152,928 |
| Support costs | <u>23,523</u> | <u>4,540,583</u> | <u>4,564,106</u> | <u>4,463,537</u> |
| | <u>338,355</u> | <u>15,180,160</u> | <u>15,518,515</u> | <u>14,616,465</u> |

| | 2020 Total £ | 2019 Total £ |
|----------------------------------|--------------------|--------------------|
| Analysis of support costs | | |
| Support staff costs | 2,595,985 | 2,452,172 |
| Depreciation | 96,662 | 98,817 |
| Technology costs | 28,593 | 25,775 |
| Premises costs | 1,025,463 | 1,010,021 |
| Legal costs - new academy | 6,110 | - |
| Legal costs - other | 32,272 | 1,980 |
| Other support costs | 739,320 | 813,665 |
| Governance costs | <u>39,701</u> | <u>61,107</u> |
| Total support costs | <u>4,564,106</u> | <u>4,463,537</u> |

9. TRUSTEES' REMUNERATION AND BENEFITS

The principal only received remuneration in respect of services provided undertaking the role of principal and not in respect of their service as trustee. The principal is now FTE 0.50. 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 | £50,000 - £55,000 | (2019 - £125,000 -£130,000) |
| Employer's pension contributions | £10,000 - £15,000 | (2019 - £20,000 - £25,000) |

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

10. STAFF COSTS

| | 2020 | 2019 |
|--|--------------------------|--------------------------|
| | £ | £ |
| Wages and salaries | 8,986,442 | 8,380,237 |
| Social security costs | 836,430 | 797,058 |
| Operating costs of defined benefit pension schemes | 2,533,739 | 1,998,275 |
| Apprenticeship levy | <u>29,645</u> | <u>25,851</u> |
| | 12,386,256 | 11,201,421 |
| Supply teacher costs | 167,634 | 240,686 |
| Compensation payments | <u>3,276</u> | <u>28,173</u> |
| | <u><u>12,557,166</u></u> | <u><u>11,470,280</u></u> |

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

| | 2020 | 2019 |
|----------------------------|-------------------|-------------------|
| Teachers | 139 | 136 |
| Administration and support | 184 | 173 |
| Management | <u>19</u> | <u>16</u> |
| | <u><u>342</u></u> | <u><u>325</u></u> |

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

| | 2020 | 2019 |
|---------------------|------------------|-----------------|
| £60,001 - £70,000 | 7 | 3 |
| £70,001 - £80,000 | 2 | 3 |
| £90,001 - £100,000 | 1 | - |
| £120,001 - £130,000 | <u>-</u> | <u>1</u> |
| | <u><u>10</u></u> | <u><u>7</u></u> |

Nine of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2020 employer's pension contributions for these staff amounted to £149,533 (2019 - six employees £75,824). The other employee participated in the Local Government Pension Scheme. Employer's pension contributions amounted to £13,914 (2019 - £15,571).

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 £780,256 (2019 - £615,279).

Included in staff costs is a non statutory/non contractual severance payment of £3,276 (2019 - three payments totalling £28,173).

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

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.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

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 5.4% (2019 - 4.6%) of General Annual Grant income received.

The actual amounts charged during the year were as follows:

| | 2020 £ | 2019 £ |
|---|----------------|----------------|
| Homewood School & Sixth Form Centre | 574,242 | 435,680 |
| St Michael's Church of England Primary School | 32,916 | 27,424 |
| Tenterden Infant School | 31,668 | 24,836 |
| Tenterden Church of England Junior School | 50,778 | 37,125 |
| Rolvenden Primary School | 22,680 | - |
| | <u>712,284</u> | <u>525,065</u> |

14. TANGIBLE FIXED ASSETS

| | Freehold property £ | Long leasehold £ | Improvements to property £ | Plant and machinery £ |
|------------------------|---------------------------|------------------------|-------------------------------------|-----------------------------|
| COST | | | | |
| At 1 September 2019 | 31,843,361 | 2,227,200 | 881,450 | 25,121 |
| Additions | - | - | - | - |
| Disposals | (3,883) | - | - | - |
| Transfer on conversion | - | 974,000 | - | - |
| | <u>31,839,478</u> | <u>3,201,200</u> | <u>881,450</u> | <u>25,121</u> |
| At 31 August 2020 | | | | |
| DEPRECIATION | | | | |
| At 1 September 2019 | - | - | 274,150 | 25,121 |
| Charge for year | - | - | 88,735 | - |
| Eliminated on disposal | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>362,885</u> | <u>25,121</u> |
| At 31 August 2020 | | | | |
| NET BOOK VALUE | | | | |
| At 31 August 2020 | <u>31,839,478</u> | <u>3,201,200</u> | <u>518,565</u> | <u>-</u> |
| At 31 August 2019 | <u>31,843,361</u> | <u>2,227,200</u> | <u>607,300</u> | <u>-</u> |

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

14. TANGIBLE FIXED ASSETS - continued

| | Site Improvements £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|------------------------|---------------------------|------------------------|----------------------------|-------------------|
| COST | | | | |
| At 1 September 2019 | 13,734 | 110,000 | 68,697 | 35,169,563 |
| Additions | 14,716 | - | - | 14,716 |
| Disposals | - | - | (68,697) | (72,580) |
| Transfer on conversion | - | - | - | 974,000 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>974,000</u> |
| At 31 August 2020 | <u>28,450</u> | <u>110,000</u> | <u>-</u> | <u>36,085,699</u> |
| DEPRECIATION | | | | |
| At 1 September 2019 | 2,747 | 97,820 | 68,697 | 468,535 |
| Charge for year | 3,766 | 4,750 | - | 97,251 |
| Eliminated on disposal | - | - | (68,697) | (68,697) |
| | <u>-</u> | <u>-</u> | <u>(68,697)</u> | <u>(68,697)</u> |
| At 31 August 2020 | <u>6,513</u> | <u>102,570</u> | <u>-</u> | <u>497,089</u> |
| NET BOOK VALUE | | | | |
| At 31 August 2020 | <u>21,937</u> | <u>7,430</u> | <u>-</u> | <u>35,588,610</u> |
| At 31 August 2019 | <u>10,987</u> | <u>12,180</u> | <u>-</u> | <u>34,701,028</u> |

The academy trust's transactions relating to land and buildings included the disposal of freehold land by the academy trust at a value of £330,000.

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.

15. STOCKS

| | 2020 £ | 2019 £ |
|----------|---------------|---------------|
| Clothing | <u>32,558</u> | <u>39,009</u> |

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 £ | 2019 £ |
|---------------|------------------|----------------|
| Trade debtors | 52,209 | 102,930 |
| Other debtors | 2,118,981 | - |
| VAT | <u>89,519</u> | <u>128,340</u> |
| | <u>2,260,709</u> | <u>231,270</u> |

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|---------------------------------|-------------------------|-------------------------|
| | £ | £ |
| Trade creditors | 285,864 | 462,830 |
| Social security and other taxes | 198,263 | 189,398 |
| Other creditors | 367,896 | 370,507 |
| Accrued expenses | <u>263,307</u> | <u>254,796</u> |
| | <u><u>1,115,330</u></u> | <u><u>1,277,531</u></u> |

Deferred income

| | 2020 | 2019 |
|-------------------------------------|----------------------|----------------------|
| | £ | £ |
| Deferred income at 1 September 2019 | 89,966 | 112,658 |
| Released from previous years | (89,966) | (112,658) |
| Resources deferred in the year | <u>75,617</u> | <u>89,966</u> |
| Deferred income at 31 August 2020 | <u><u>75,617</u></u> | <u><u>89,966</u></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:

| | 2020 | 2019 |
|----------------------------|----------------------|----------------------|
| | £ | £ |
| Within one year | 31,589 | 29,583 |
| Between one and five years | <u>45,043</u> | <u>69,062</u> |
| | <u><u>76,632</u></u> | <u><u>98,645</u></u> |

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

| | | 2020 | |
|---------------------|------------------------|------------------------------|---------------------------|
| | Unrestricted fund | Restricted Fixed Assets Fund | Restricted General funds |
| | £ | £ | £ |
| Fixed assets | 14,716 | 35,573,894 | - |
| Current assets | 1,067,988 | 2,915,329 | - |
| Current liabilities | (1,115,330) | - | - |
| Pension liability | <u>-</u> | <u>-</u> | <u>(7,712,000)</u> |
| | <u><u>(32,626)</u></u> | <u><u>38,489,223</u></u> | <u><u>(7,712,000)</u></u> |
| | | | <u><u>30,744,597</u></u> |

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

| | | Restricted | | 2019 |
|---------------------|-----------------|-------------------|--------------------|-------------------|
| | Unrestricted | Fixed | Restricted | Total |
| | fund | Assets | General | funds |
| | £ | Fund | funds | £ |
| Fixed assets | - | 34,701,027 | - | 34,701,027 |
| Current assets | 1,215,949 | 1 | - | 1,215,950 |
| Current liabilities | (1,277,531) | - | - | (1,277,531) |
| Pension liability | - | - | (4,779,000) | (4,779,000) |
| | <u>(61,582)</u> | <u>34,701,028</u> | <u>(4,779,000)</u> | <u>29,860,446</u> |

21. MOVEMENT IN FUNDS

| | At 1.9.19 | Net | At |
|---------------------------|-------------------|------------------|-------------------|
| | £ | movement | 31.8.20 |
| | | in funds | £ |
| Unrestricted funds | | | |
| General fund | (61,582) | 28,956 | (32,626) |
| Restricted funds | | | |
| Pension reserve | (4,779,000) | (2,933,000) | (7,712,000) |
| Fixed Asset Fund | <u>34,701,028</u> | <u>3,788,195</u> | <u>38,489,223</u> |
| | <u>29,922,028</u> | <u>855,195</u> | <u>30,777,223</u> |
| TOTAL FUNDS | <u>29,860,446</u> | <u>884,151</u> | <u>30,744,597</u> |

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

| | Incoming | Resources | Gains and | Movement |
|---------------------------|-------------------|---------------------|--------------------|------------------|
| | resources | expended | losses | in funds |
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General fund | 513,008 | (484,052) | - | 28,956 |
| Restricted funds | | | | |
| School voluntary fund | 302,314 | (302,314) | - | - |
| General Annual Grant | 11,772,278 | (11,772,278) | - | - |
| Other DfE/ESFA grants | 1,591,483 | (1,591,483) | - | - |
| Start Up Grant | 25,000 | (25,000) | - | - |
| Pension reserve | (164,000) | (691,000) | (2,078,000) | (2,933,000) |
| Other Government Grants | 791,360 | (791,360) | - | - |
| Other income | 10,000 | (10,000) | - | - |
| Fixed Asset Fund | <u>3,993,805</u> | <u>(205,610)</u> | <u>-</u> | <u>3,788,195</u> |
| | <u>18,322,240</u> | <u>(15,389,045)</u> | <u>(2,078,000)</u> | <u>855,195</u> |
| TOTAL FUNDS | <u>18,835,248</u> | <u>(15,873,097)</u> | <u>(2,078,000)</u> | <u>884,151</u> |

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

| | At 1.9.18 £ | Net movement in funds £ | At 31.8.19 £ |
|---------------------------|--------------------------|----------------------------------|--------------------------|
| Unrestricted funds | | | |
| General fund | 146,470 | (208,052) | (61,582) |
| Restricted funds | | | |
| 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> |
| TOTAL FUNDS | <u><u>31,371,084</u></u> | <u><u>(1,510,638)</u></u> | <u><u>29,860,446</u></u> |

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

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 654,577 | (862,629) | - | (208,052) |
| Restricted funds | | | | |
| School voluntary fund | 447,189 | (447,189) | - | - |
| General Annual Grant | 11,475,987 | (11,475,987) | - | - |
| Other DfE/ESFA grants | 953,969 | (953,969) | - | - |
| Pension reserve | - | (659,000) | (960,000) | (1,619,000) |
| Other Government Grants | 473,781 | (473,781) | - | - |
| Other income | 13,740 | (13,740) | - | - |
| Fixed Asset Fund | <u>560,918</u> | <u>(244,504)</u> | <u>-</u> | <u>316,414</u> |
| | <u>13,925,584</u> | <u>(14,268,170)</u> | <u>(960,000)</u> | <u>(1,302,586)</u> |
| TOTAL FUNDS | <u><u>14,580,161</u></u> | <u><u>(15,130,799)</u></u> | <u><u>(960,000)</u></u> | <u><u>(1,510,638)</u></u> |

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 2020.

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.

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

21. MOVEMENT IN FUNDS - continued

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

| | Total 2020 £ | Total 2019 £ |
|---|-----------------------------|-----------------------------|
| Homewood School & Sixth Form Centre | (94,251) | (80,609) |
| St Michael's Church of England Junior School | 38,194 | 74,849 |
| Tenterden Infants School | (1,137) | 10,430 |
| Tenterden Church of England Junior School | 3,341 | (3,824) |
| Rolvenden Primary School | 20,441 | - |
| Central Services | 786 | (62,428) |
| | <hr/> | <hr/> |
| Total before fixed assets and pension reserve | (32,626) | (61,582) |
| Restricted fixed assets fund | 38,489,223 | 34,701,028 |
| Pension reserve | (7,712,000) | (4,779,000) |
| | <hr/> | <hr/> |
| | 30,744,597 | 29,860,446 |

The academy trust is carrying a net deficit of £32,626 (2019 - £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 pages 4 and 5 of the Report of the Trustees.

Total cost analysis by academy

| | Teaching and Educational Support Staff Costs £ | Other Support Staff Costs £ | Educational Supplies £ |
|--|---|--|---------------------------------------|
| Homewood School & Sixth Form Centre | 7,544,094 | 1,291,410 | 582,245 |
| St Michael's Church of England Junior School | 520,570 | 56,739 | 8,042 |
| Tenterden Infants School | 585,705 | 80,998 | 14,687 |
| Tenterden Church of England Junior School | 875,895 | 82,994 | 22,640 |
| Rolvenden Primary School | 338,251 | 48,339 | 8,694 |
| Central Services | 99,169 | 435,504 | 15,146 |
| | <hr/> | <hr/> | <hr/> |
| Academy Trust | 9,963,684 | 1,995,984 | 651,454 |

| | Other costs (excluding) depreciation £ | Total 2020 £ | Total 2019 £ |
|--|--|-----------------------------|-----------------------------|
| Homewood School & Sixth Form Centre | 1,855,468 | 11,273,217 | 11,341,137 |
| St Michael's Church of England Junior School | 137,085 | 722,436 | 705,266 |
| Tenterden Infants School | 119,111 | 800,501 | 796,261 |
| Tenterden Church of England Junior School | 139,468 | 1,120,997 | 966,358 |
| Rolvenden Primary School | 103,242 | 498,526 | - |
| Central Services | 121,277 | 671,096 | 563,464 |
| | <hr/> | <hr/> | <hr/> |
| Academy Trust | 2,475,651 | 15,086,773 | 14,372,486 |

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £224,164 were payable to the schemes at 31 August 2020 (2019 - £170,318) 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the teachers' pension scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,655,000 (2019: £1,155,000).

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 2020 was £713,000 (2019: £676,000), of which employer's contributions totalled £548,000 (2019: £518,000) and employees' contributions totalled £165,000 (2019: £158,000). The agreed contribution rates for future years are 19.8 per cent for employers and 5.5 to 12.5 per cent for employees.

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

22. PENSION AND SIMILAR OBLIGATIONS - continued

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 | |
|---------------------------------------|----------------------------------|--------------------|
| | 2020 | 2019 |
| | £ | £ |
| Present value of funded obligations | (16,958,000) | (13,432,000) |
| Fair value of plan assets | <u>9,246,000</u> | <u>8,653,000</u> |
| | (7,712,000) | (4,779,000) |
| Present value of unfunded obligations | <u>-</u> | <u>-</u> |
| Deficit | <u>(7,712,000)</u> | <u>(4,779,000)</u> |
| Net liability | <u>(7,712,000)</u> | <u>(4,779,000)</u> |

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

| | Defined benefit pension plans | |
|--|----------------------------------|------------------|
| | 2020 | 2019 |
| | £ | £ |
| Current service cost | 1,312,000 | 958,000 |
| Net interest from net defined benefit asset/liability | 86,000 | 77,000 |
| Past service cost | - | 138,000 |
| Administrative expenses | <u>5,000</u> | <u>4,000</u> |
| | <u>1,403,000</u> | <u>1,177,000</u> |
| Actual return on Fund assets | <u>680,000</u> | <u>364,000</u> |

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

| | Defined benefit pension plans | |
|--------------------------------------|----------------------------------|-------------------|
| | 2020 | 2019 |
| | £ | £ |
| Opening defined benefit obligation | 13,432,000 | 10,980,000 |
| Current service cost | 1,148,000 | 958,000 |
| Past service cost | - | 138,000 |
| Contributions by scheme participants | 165,000 | 158,000 |
| Interest cost | 254,000 | 290,000 |
| Actuarial losses/(gains) | 1,720,000 | 1,111,000 |
| Benefits paid | (125,000) | (203,000) |
| Conversion of academy trusts | <u>364,000</u> | <u>-</u> |
| | <u>16,958,000</u> | <u>13,432,000</u> |

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

22. PENSION AND SIMILAR OBLIGATIONS - continued

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

| | Defined benefit pension plans | |
|--------------------------------------|----------------------------------|------------------|
| | 2020 | 2019 |
| | £ | £ |
| Opening fair value of scheme assets | 8,653,000 | 7,820,000 |
| Interest on assets | 168,000 | 213,000 |
| Contributions by employer | 548,000 | 518,000 |
| Contributions by scheme participants | 165,000 | 158,000 |
| Return on assets less interest | 512,000 | 151,000 |
| Actuarial gains/(losses) | (870,000) | - |
| Benefits paid | (125,000) | (203,000) |
| Conversion of academy trusts | 200,000 | - |
| Administrative expenses | (5,000) | (4,000) |
| | <u>9,246,000</u> | <u>8,653,000</u> |

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

| | Defined benefit pension plans | |
|--------------------------|----------------------------------|------------------|
| | 2020 | 2019 |
| | £ | £ |
| Actuarial gains/(losses) | <u>(2,078,000)</u> | <u>(960,000)</u> |
| | <u>(2,078,000)</u> | <u>(960,000)</u> |

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

| | Defined benefit pension plans | |
|----------------------|----------------------------------|------------------|
| | 2020 | 2019 |
| | £ | £ |
| Equities | 5,988,000 | 5,898,000 |
| Gilts | 62,000 | 62,000 |
| Other Bonds | 1,194,000 | 781,000 |
| Property | 1,016,000 | 1,009,000 |
| Cash | 282,000 | 231,000 |
| Absolute Return Fund | <u>704,000</u> | <u>672,000</u> |
| | <u>9,246,000</u> | <u>8,653,000</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 2019) for the year to 31 August 2020. 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.

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

22. PENSION AND SIMILAR OBLIGATIONS - continued

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

| | 2020 | 2019 |
|----------------------------|-------|-------|
| Discount rate | 1.60% | 1.85% |
| Future salary increases | 3.30% | 3.70% |
| Future pension increases | 2.30% | 2.20% |
| Inflation assumption (CPI) | 2.30% | 2.20% |

The assumed life expectations on retirement age 65 are:

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

The estimated value of employer contributions for the year ended 31 August 2021 is £559,000.

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 | 16,584,000 | 16,958,000 | 17,340,000 |
| - Projected service cost | 1,324,000 | 1,363,000 | 1,403,000 |
| Adjustment to long term salary increase | +0.1% | 0.0% | -0.1% |
| - Present value of total obligation | 16,992,000 | 16,958,000 | 16,924,000 |
| - Projected service cost | 1,364,000 | 1,363,000 | 1,362,000 |
| Adjustment to pension increases and deferred revaluation | +0.1% | 0.0% | -0.1% |
| - Present value of total obligation | 17,304,000 | 16,958,000 | 16,620,000 |
| - Projected service cost | 1,402,000 | 1,363,000 | 1,325,000 |
| Adjustment to mortality age rating assumption | +1 Year | None | -1 Year |
| - Present value of total obligation | 17,593,000 | 16,958,000 | 16,346,000 |
| - Projected Service cost | 1,412,000 | 1,363,000 | 1,315,000 |

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

23. CONTINGENT LIABILITIES

The Trust has a contingent liability in respect of associate staff term time only workers' annual leave. There have been successful claims for the past few years for backdated pay for the amended calculations for these staff. The Local Authority is dealing with the issue for their own schools and considering a settlement with unions in respect of these schools. The Trust is awaiting details of the settlement and details of the support that may come from KCC for all of the schools funded in their area (which includes academies). The Trustees do not feel that any liability should be included in the accounts for the year ended 2019/20 as there are too many uncertainties at this point of time in terms of the calculation of the size of this potential liability.

24. CAPITAL COMMITMENTS

| | 2020 | 2019 |
|---|----------|----------|
| | £ | £ |
| Contracted but not provided for in the financial statements | <u>-</u> | <u>-</u> |

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 28.

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 2020 the trust received £31,004 (2019 - £34,155) and this was all disbursed from the fund.

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

27. CONVERSION TO AN ACADEMY

On 1 November 2019 Rolvenden Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Tenterden Schools Trust from Kent County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - Transfer from Local Authority on Conversion.

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

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Assets Fund £ | Total £ |
|-----------------------------------|-------------------------------------|---|---|--------------------|
| Tangible fixed assets | | | | |
| Leasehold land and buildings | - | - | 974,000 | 974,000 |
| Current assets | | | | |
| Cash - Budget surplus on LA Funds | 21,501 | - | - | 21,501 |
| LGPS Pension deficit | - | (164,000) | - | (164,000) |
| Net assets/(liabilities) | <u>21,501</u> | <u>(164,000)</u> | <u>974,000</u> | <u>831,501</u> |

28. 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 five-year lease was renewed in 2019. 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 2020 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 2020 total Incoming Resources in the subsidiary were £312,595 (2019 - £336,386) and there was a deficit for the year of £10,661 (2019 - deficit of £624) all in unrestricted funds. The deficit is after donations made to Tenterden Schools Trust of £nil (2019 - £23,104), rent paid to Tenterden Schools Trust of £12,144 (2019 - £12,144) and fees for payroll maintenance paid to Tenterden Schools Trust of £1,200 (2019 - £1,200). At 31 August 2020 the subsidiary had total net assets of £59,368 (2019 - £70,029). All of these net assets represent unrestricted funds, with fixed assets of £4,600 (2019- £5,129) and net current assets of £54,768 (2019 - £64,900).

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 a restricted fund, to provide for the objects of the subsidiary.