

REGISTERED COMPANY NUMBER: 07736448 (England and Wales)

**Report of the Trustees and
Financial Statements for the Year Ended 31 August 2018
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 2018**

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Tenterden Schools Trust

Reference and Administrative Details for the Year Ended 31 August 2018

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 Mrs S Lees Mrs S Moon Mrs N Paterson Mr M Seymour (resigned 31 August 2018) Ms K Smith Ms J Thorp (resigned 31 August 2018) Mr N Vincer Ms J Vos Mrs S Williamson (resigned 31 August 2018)	Chair (Diocesan Rep fro St Michaels) Director Director CEO Director Diocesan Director Finance Director Director Director Director Director Primary Schools Director
Secretary	Mrs K Douglas	
Senior executive team	Mrs S Lees Ms S Crinnion Mrs S Williamson Mrs S King Mr S Pusey Mrs D Faulkner Mr M Seymour	CEO Executive Head (Tenterden Primary Federation) Headteacher (St Michaels C of E Primary school) Vice Principal (Homewood) Senior Assistant Vice Principal (Homewood) Head of Administration Finance Director
Registered Office	Homewood School & Sixth Form Centre Ashford Road Tenterden Kent TN30 6LT	
Company Registration Number	07736448	
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 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

The objectives for the year 2017/18 were set out in the School Development Plan for this period. Some of these areas are noted as follows:

- Ensure teaching and learning is outstanding – 100% lessons are graded good or outstanding with 50% graded as outstanding.
- Develop coherent 0 -19 curriculum including team teaching opportunities, sharing schemes of work and exploring year 6 pupils beginning the year 7 curriculum in English and Maths with cross-phased teaching opportunities.
- Develop support across the Trust to improve outcomes for vulnerable groups including FSM, Pupil Premium and SEN.
- Audit progress of vulnerable groups including "FSM ever" for impact of pupil premium income across all schools.
- Ensure individual schools exceed floor targets for performance at all key stage levels and achieve standards at or above national and Kent averages.
- Further develop coherent tracking procedures from 0 -19.
- Ensure quality assurance of assessment for learning procedures across the Trust.
- Continue to develop shared teaching and learning practice across the Trust including teacher exchanges and cross moderation opportunities.
- Ensure robust financial planning across the trust and efficient use of resources. Deliver a balanced budget for the Trust in 2017/18.
- Develop a clear strategy for succession planning in leadership across the Trust.
- Develop a strategy for marketing, communication, ICT and administration across the Trust.
- Deliver premises plans across the trust including a 3G pitch at Homewood, improved toilet facilities and outside play area at St.Michael's and gating and fencing at Tenterden Junior and infant schools.
- Develop and implement the Trust expansion plan.
- Establish high quality governance and leadership across the Trust.
- Work together to ensure good parental engagement at every level in the Trust.
- Develop good links with the local community.

Tenterden Schools Trust

Report of the Trustees for the Year Ended 31 August 2018

OBJECTIVES AND ACTIVITIES

Public benefit

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

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

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

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

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

Tenterden Schools Trust
Report of the Trustees
for the Year Ended 31 August 2018

STRATEGIC REPORT

Achievement and performance

The Tenterden Schools Trust has been established since 1 December 2016 so is now reporting on its second set of published outcomes since that date.

Tenterden Primary Federation - Outcomes in EYFS and KS1 showed a further improvement on the successful outcomes in 2017 and are well above national averages. However, KS2 data showed a decline across the board compared with 2017, with the exception of Greater Depth Writing which has been an area of focus and has shown a strong improvement. There has been a detailed analysis on a case study basis and it is clear that the issues are cohort specific. However, preparation for KS2 SATs will be a key area of focus for the school to address this year. The negative progress scores continue to be affected by some historic over-assessment when these pupils were in Year 2, when 100% were assessed as meeting expectation across all measures.

St Michael's Primary School - 2018 outcomes show significant improvement at KS2, where a strong focus has been on addressing the underperformance of 2017, particularly in Maths. Outcomes at KS2 in all but Reading are now above national averages. Reading is a whole school focus for the year ahead, with a rich text approach being taken, based on the work of Bob Cox. Strong performance has been sustained at EYFS and KS1, with a significant improvement in writing in Year 2 compared with 2017.

Homewood - Improved outcomes in the E-Bacc subjects, notably Science and Geography, are reflected in an improved Progress 8 figure of -0.40. This would have been significantly higher, in the region of -0.33, if early entry Art outcomes had been included in the figure. Progress 8 was impacted once again by the relatively large number of students (about 30 students) who did not complete a full Progress 8 curriculum for well documented reasons relating to health needs, alternative provision or Special Educational Needs. English dipped from its exceptional performance the year before, but this was cohort specific and in line with expectations. Outcomes in Maths improved again by a modest percentage, but outcomes at Grade 5+ were lower than expected. Outcomes at KS5 showed an increase in the percentage of students achieving the higher grades and an improved Average Points Score for academic subjects. The points score in Applied subjects dipped but this reflects a significant change in the nature and assessment of the BTEC courses and it is not possible to compare like for like with previous years.

Recruitment into Year 7 at Homewood was strong in 2018 (362) and is looking even stronger for 2019. However, the year 12 and 13 numbers fell by about 40 which was mainly due to the attraction of the local colleges. This area will be reviewed moving forward. Year R figures are low at both St Michael's and the Infants school but in line with expectation. The Tenterden Junior school is, however, only just short of being full.

Despite the financial climate, the Trust is maintaining its buildings in good condition, with new fencing and gating at the Tenterden Infant and Juniors schools, a new play area at St Michael's and the last tranche in internal refurbishment in F block at Homewood. A replacement roof in E block and a new 3G pitch at Homewood have also been progressed, with the 3G to be open on 29 October.

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

Key financial performance indicators

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

Financial review

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Tenterden Schools Trust

Report of the Trustees for the Year Ended 31 August 2018

STRATEGIC REPORT

Financial review

The Trust has had a challenging year in financial terms, in common with most educational establishments. Whilst the first step of the national funding formula will help in 2018/19 the picture is one of lower per pupil funding than before. The pressures of eight years of flat funding are showing in all schools. Against this backdrop the Directors need to report a deficit position of £177k for 2017/18 across the trust in the accounts. This is reflected in the reported deficit on unrestricted funds of £226k and the surplus on the fixed assets fund of £49k. A surplus of £52k was budgeted but there were a number of areas of additional expenditure which had not been anticipated when the budgets were set. In addition, some income streams from grants etc. did not occur during the year and high needs funding was cut back significantly. In total £60k of expected high needs and pupil premium funding was not forthcoming. The deficit position relates to this £60k of lost income, £42k of staff settlements not known about at budget setting time and also increased administration costs and professional support costs of alternative provision. With the onset of GDPR and the need to improve the trust websites and advertising, £30k one-off costs have been sustained and the professional support areas were over by £40k. Without these situations the trust would have balanced the finances for the year. The central pot is funded by toplicing the schools in the Trust by 4.2% of General Annual Grant and this figure has increased in 2018/19. All schools in the trust showed a deficit position for 2017/18 - Homewood £96k, Junior school £20k, Infant school £24k, St Michael's £5k and the central fund £30k. There will be an increase in the contributions to the central fund in 2018/19 and it is also due some grant funding to improve the position. In total £156k was spent on premises projects and maintenance - down on £223k the previous year. The financial controls have been well maintained and the auditors have supported the Responsible Officer (Karen Douglas, Company Secretary) in her role in this regard. Updates to the Financial Regulations manual for the academy were approved by the Directors in September 2017 (in line with ESFA changes to the Academies Financial Handbook) and this has been used as the guide for the quarterly audits undertaken by a separate office of the auditors. The reports have been presented at the subsequent meetings by the Responsible Officer.

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 2017/18 reflect the census numbers in October 2016.

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.

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 internal control procedures are well tested and supported by the external audits but there are risks in future years that with falling rolls in our key recruitment points that funding will fall despite the national funding formula. 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 but was stronger in 2018 at 47. 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. We are working hard to recruit into these schools. The Infants school has a falling roll overall of 8 which will need managing through the budgets in 2019/20 and St Michael's have seen a drop of 17 which will mean a c£65k drop in income in 2018/19. The Junior school has done well to increase numbers to 235 and is only five places from full across the four years. Recruitment into year 7 at Homewood was strong this year at 361 and over 50 up on last year. However, sixth form numbers have fallen again which will create some pressure in 2019/20. The numbers have fallen from 390 to 348. This is reflected in year 12 (down 29) and year 14 (down 13). Year 14 will fall away with the end of the flexible curriculum and these students are not so well funded anyway. However, year 12 will require more attention for 2019 recruitment and this has begun in earnest already. It is recognised that the new Ashford college has attracted a number of students. The first year of the national funding formula is applied in 2018/19 but despite this there have been staffing reductions at all schools to balance the budgets in that year. Teachers pay raises have been approved at higher levels than budgeted but the trust will gain as these are funded with the teacher's pay grant above 1% and we had allowed for a full cost of 2%. In September 2019 the teacher's pension contributions will increase significantly (circa £600k cost across the trust per annum) but this will be funded by additional grant funding.

Tenterden Schools Trust

Report of the Trustees for the Year Ended 31 August 2018

STRATEGIC REPORT

Financial review

Financial risks are regularly assessed, and the Trust is already working on its plans for 2019/20 and thereafter. Overall GAG funding in 2018/19 is similar to 2017/18 and this means with salaries increasing and general costs slightly up there will be continued challenges. The National Funding formula has helped all schools but the effect of falling year R and year 7 and 12 students in 2017 means that overall funding is about level. This will be managed through, but the Trustees recognise that there is a need to ensure strong recruitment into year R and year 7 going forward. Year R is affected by lower birth rates in the Rural Ashford area, but we plan to market the schools strongly again in readiness for the 2019 intake. Tent 1A housing will also help all schools and the primary schools in the Trust should gain at least 7 pupils per year across all year groups in the next three years. At Homewood the introduction of the Grammar stream for Discovery College (Years 7 and 8) has helped recruitment which was very good in 2018. The sixth form continues to fall - now 348 from 390 last year and 443 the year before that. This has been down to several reasons including the opening of Ashford College. Recruitment for year 7 was sound in September 2018 at 361 and there is every evidence suggesting a 390 intake year for 2019. With the Grammar schools increasing their PAN and the rising costs of the Kent Freedom bus pass it is not easy to move nearer to the new PAN of 390 but we are confident that these numbers are achievable. The 390 PAN will remain to support the Ashford area part of the Kent Commissioning plan and we are in discussions with KCC regarding temporary increases above that to support prior to the opening of the new secondary school at Chilmington Green. St Michael's C of E Primary school is working hard to stem the pupil losses - it has a large year 6 and has already fallen to 139 in 2018 from 156 in 2017. With the large year 6 leaving there is potential for a further fall in September 2019. This school is an area for focus moving forward.

Financial risks in terms of payments by debtors are low and cash flow risk is acceptable with the current level of reserves but this is an area that needs to be watched. The main risk to the trust apart from the number of pupils and future uncertainty regarding the national funding formula is the provision of the same level of additional income streams. Over the coming years much work will be undertaken to consolidate this area but there are risks that income could fall in some of the constituent areas e.g. lettings, consultancy support etc. 2017/18 saw a strong performance in these areas which is encouraging. The Trust has appointed a Business Development Manager who has assisted with income generation including a focus on raising the Trust's profile in the community.

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 2018 and approved.

One area to be noted is the Local Government Pensions scheme with a deficit of £3,160m at year end. This represents a decrease of £593m 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 positive move on valuation of the underlying equities, bonds and property funds to bring about the reduction in deficit from 2017.

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 2017/18 year this calculates at £420k based on total staff costs of £11m. As staff costs are about 75% of all costs this covers by far the largest item on the cost side of running the trust. This level of reserves will provide 1.5 weeks cover for all of the academy's costs and not just staff costs.

For 2017/18 the reserves in the accounts are £242k (£146k unrestricted and £96k restricted), so by that calculation 57% of the 2-week level. The Directors are keen to increase the reserves to the agreed two weeks of salary costs level as outlined above. From the budgets for 2018/19 this will be difficult as these show an increase of £25k in reserves across the trust. There are, however, some possibilities for 2018/19 and over the next three years with S106A funding from Tent 1a housing and also playing pitch funding towards the 3G pitch. Despite the financial constraints of the next few years the Directors are aiming to return the reserves to the required £425k level by August 2020, with an improvement to c£300k in August 2019.

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

Tenterden Schools Trust

Report of the Trustees for the Year Ended 31 August 2018

STRATEGIC REPORT

Financial review

Investment policy

The trust holds reserves and invests on the basis that it can meet its short-term requirements for cash flow purposes but also to maximise the interest earned. In 2017/18 there were investments made on the money market via Lloyds Bank PLC who provided competitive interest rates on less than one month, one month and three months, all of which were used. The trust has enhanced its short-term investments by using the grant money paid on the first of the month and then investing the amount needed to cover salary payments on the 25th.

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

Fundraising

The Trust applied for funding by way of grant bids only in 2017/18. This included funds from Awards for All lottery funding for a new farm small animal building. The trust did not work with any professional fundraisers and made all of its own applications for support. During the year there were no complaints regarding fundraising. The trust does not fundraise from individuals or directly raise funds for its activities. The primary schools have active PTAs who run fundraising events and the Trust does benefit from payments from these PTAs but they are separate charities and responsible for their own accounts.

Future plans

Each academy has a three-year budget plan and this extends to 2020/21. 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 2018/19 shows a surplus of £25k and there will be regular reviews of performance against that budget via the management accounts. The following two years are challenging but the national funding formula will bring additional funds to all of the schools in both 2019/20 and 2020/21. There will also be some Section 106 secondary school funding from the new housing development in the town which will come to the Trust and some S106 playing pitch funding too.

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 will 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. The ATP (Artificial Turf Pitch) on site at Homewood will be delivered in October 2018 and there will be a need for additional classrooms in due course and also to purchase additional mobile accommodation. Tenterden Junior school will need significant investment in the premises over the coming years. There are improvements planned at St Michael's in the outside year R area and also the main playground in 2018/19.

The Trust also has plans to expand, as agreed in principle by the Regional Schools Commissioner. It is currently in discussion with two local primary schools who are exploring the possibility of joining the Trust. There are several strategic aims in growing the trust. The trust needs a second secondary school to provide cross phase support and to support a sponsorship application in due course. There is also the aim of taking the pupil numbers above 3000 across the trust so that fairly substantial automatic capital funding can be obtained. Finally, it is the Directors' view that growth will benefit the education of pupils in both the primary and secondary sectors.

Tenterden Schools Trust

Report of the Trustees for the Year Ended 31 August 2018

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).

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 2018

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.

Policies and procedures adopted for the induction and training of trustees

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

Employees and disabled persons

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

Employee consultation

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

Tenterden Schools Trust

Report of the Trustees for the Year Ended 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trade union facility time

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31 August 2018

Relevant union officials

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

4

Full-time equivalent employee number

4

Percentage of time spent on facility time

Percentage of time

0%

1-50%

51-99%

100%

Number of employees

Nil

4

Nil

Nil

Percentage of pay bill spent on facility time

£

Total cost of facility time

1047

Total pay bill

10,666,050

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

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

0.01%

Paid trade union activities

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

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

100%

Related parties

Home Farm Children's Nursery Limited

The nursery is situated on the school site and there are seven directors who are school staff and two others, one of whom has connections with the school but is not employed by the school. The Company secretary is the same for both companies.

The nursery became a subsidiary company to Tenterden Schools Trust on 1 April 2014. It has an annual turnover of about £327k and employs 13 staff. During this period the nursery has made donations to the school totalling £14k which was related to the premises improvements in 2015/16. The nursery accounts show a surplus of £16k for the twelve months to 31 August 2018 and sound reserves of £70k.

Risk management

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

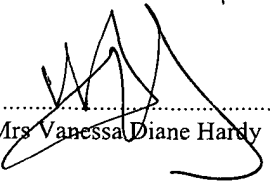
AUDITORS

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

Tenterden Schools Trust

**Report of the Trustees
for the Year Ended 31 August 2018**

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on21.12.18..... and signed on the board's behalf by:


.....
Mrs Vanessa Diane Hardy - Trustee

Tenterden Schools Trust
Governance Statement
for the Year Ended 31 August 2018

Scope of Responsibility

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

The Directors have delegated the day-to-day responsibility to Mrs S Lees, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the master funding agreement between Tenterden Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the Directors any material weaknesses or breakdowns in internal control.

Governance

The appendices set out on pages 17 to 21 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 review performance of each school at every trust meeting (six per year) and also have a financial and premises update at the Board meetings. They supported the senior leadership teams of the trust in developing and managing the strategic plans for the trust. The board worked hard in 2017/18 to support the trust schools and the local governing bodies. With solid results across the schools they consider that they have been broadly successful but acknowledge that there is a stronger performance needed in all schools in 2018/19 for the MAT to be well placed going forward. They reviewed the trust improvement plan on a regular basis and will support the trust in balancing the finances in 2018/19. The trust board undertook their annual review of trust governance in September 2017 and the next review is due in October 2018.

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 they 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 six times during the year. Attendance during the year at these meetings was as follows:

	Name	Meetings attended	Out of a possible
Chair (Diocesan Rep from St Michael's)	Mrs V Hardy	6	6
Director (Diocesan Rep from Tenterden Juniors)	Mr D Harding	4	6
Director	Mr M Hill	6	6
CEO	Mrs S Lees	6	6
Director	Mrs S Moon	5	6
Diocesan Director	Mrs N Paterson	4	6
Finance Director	Mr M Seymour	6	6
Director	Ms K Smith	4	6
Director	Ms J Thorp	0	6
Director	Mr N Vincer	6	6
Director	Ms J Vos	5	6
Primary Schools Director	Mrs S Williamson	6	6
Clerk	Mrs K Douglas	6	6

Tenterden Schools Trust
Governance Statement
for the Year Ended 31 August 2018

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 2017). It establishes the financial roles, powers and responsibilities of the CEO as Accounting Officer, the Finance Director and the Board of Directors. There are specific guidelines on purchases across the Trust:

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

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

The internal accounting controls are strengthened by the auditors undertaking a full accounting year audit as is standard practice but in addition to this they also perform three internal interim audit checks. These are managed by a separate office 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 2017/18 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.

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 2017/18 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 2018/19.

Tenterden Schools Trust
Governance Statement
for the Year Ended 31 August 2018

Review of Value for Money

We would note three examples of good value procurement in 2017/18:

1. Replacement perimeter fencing and gates at the Tenterden Infant and Junior schools. Three quotes were obtained from £22k to £24k. At this level it seemed appropriate to bid for the CIF funding (minimum £20k). That bid was turned down for insufficient photographic evidence. We then were able to re-negotiate the deal for under this sum (£16k).
2. Chrome books. Homewood School purchased 430 of these for the year 7 payment scheme and obtained four quotations with price points from £209 per chrome book down to £174. Eventually able to negotiate a price point of £172.75.
3. Cleaning contract across most trust schools. This was renewed for five years with large savings across the trust of c£15k per annum and the renewal did not have to go to full tender following professional advice in this regard. Instead a full desk top exercise review was undertaken identifying areas of saving against other cleaning companies. Savings on contract review consultancy of c£15k as well as on the annual contracted amount.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company 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 period 1 September 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

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

Tenterden Schools Trust
Governance Statement
for the Year Ended 31 August 2018

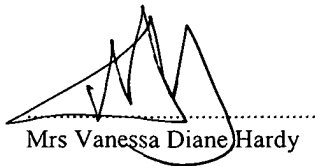
Review of Effectiveness

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 on31/12/18..... 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 2018

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 2018

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

Members:					
Lindsay Hammond					
Vanessa Hardy					
Ian Kirkland					
Diocesan Board of Education – Corporate Member					
Board Directors					
Sally Lees – CEO					
Sara Williamson – Primary Executive Director					
Mark Seymour – Finance Director					
Vanessa Hardy – Chair					
David Harding					
Mike Hills					
Sue Moon					
Niki Paterson					
Kate Smith					
Jill Thorpe					
Neil Vincer					
Jo Vos					
Associate: Sam Crinnion – Executive Head TPF					
Homewood Local GB		St Michaels Local GB		Tenterden Primary Federation Local GB	
Tim Barton	Parent	Claire Cantor	Associate	Kimberley Craggs	Staff
Gillian Guthrie	Community	Jo Gandolfo	Co-opted	Sam Crinnion	Executive Head Teacher
Sally Lees	Principal	Kim Hamilton	Staff	Kenneth Grant	Foundation
Sue Mash	Partnership	Vanessa Hardy	Co-Opted	David Harding	Co- opted
Cliff Mills	Community	Hilary Honeysett	Foundation	Emma Isworth	Foundation
Jane Ross-Smith	Staff	Jo Paskhin	Associate	Nicholas Leggat	Associate
Kate Smith	Parent	Ivor Rushworth	Foundation	Tina McIntosh	Associate
Neil Vincer	Community	Rebecca Sharp	Parent	Maria Sullivan	Parent
		Joanna Vos	Associate	Seren Welch	Parent
Jonathan Capstick (Jan 18)	Parent	Monica Walton	Parent	Duncan Edgar (Jan 18)	Co-Opted
Louise Jennings (Jan 18)	Parent	Sara Williamson	Head Teacher	Maureen Kavanagh (Jan 18)	Associate
Shabana Raman	(Jan 18) Staff				

Tenterden Schools Trust

Summary of Key Delegated Responsibilities for the Year Ended 31 August 2018

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

continued

Tenterden Schools Trust

**Summary of Key Delegated Responsibilities (continued)
for the Year Ended 31 August 2018**

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
for the Year Ended 31 August 2018**

CEO of Multi-Academy Trust Principal of Homewood			
<p>MAT responsibilities: The CEO is the Accounting Officer for the Trust and is directly responsible for the strategic development of the Multi-Academy Trust, relations with Trust Board, contractual matters concerning Trust staff</p> <p>Homewood responsibilities: The Principal is directly responsible for approval of staff absence; fixed term and permanent exclusion of students; Performance Management of staff; quality assurance and self-evaluation; links with Kent Association of Headteachers and Local Education Authority.</p>			
Vice Principal (Learning)	Vice Principal (Students)	Head of Administration & PA to CEO	Finance Director
<p>MAT responsibilities</p> <ul style="list-style-type: none"> Curriculum and Learning and Achievement across the MAT <p>Homewood responsibilities</p> <ul style="list-style-type: none"> Learning HDT Raising Standards Leader COSMOS, timetable Assessment, reporting, exams Curriculum Development 	<p>MAT responsibilities</p> <ul style="list-style-type: none"> Student welfare across the MAT <p>Homewood responsibilities</p> <ul style="list-style-type: none"> Student HDT Numeracy Inclusion Mentoring Student Welfare Attendance PSHE/Citizenship Ethos for Learning Multi-agencies Alternative Curriculum Transport – students (with Colleges) Healthy Schools oversight 	<p>MAT responsibilities</p> <ul style="list-style-type: none"> Administration co-ordination across the MAT PA to CEO <p>Homewood responsibilities</p> <ul style="list-style-type: none"> Staff/Events HDT Communication ICT Services HR Services Performance Management administration QA in Administration Services Data Protection and FOI Staff training administration Staff duties Masterclasses and Summer School 	<p>MAT responsibilities</p> <ul style="list-style-type: none"> Legal and contractual aspects of MAT developments Finance and premises management across the MAT <p>Homewood responsibilities</p> <ul style="list-style-type: none"> Finance Premises Health and Safety Retail Services Print Team ICT procurement Contracts Management Income Generation Marketing Theatre, Farm Transport – contracts

continued

Tenterden Schools Trust

**Leadership Team – Areas of Responsibility (continued)
for the Year Ended 31 August 2018**

<p align="center">Executive Headteacher Tenterden Primary Federation</p>	<p align="center">Headteacher St Michael's Primary School</p>
<p>MAT responsibilities: The EH supports the CEO in the strategic development of the Multi-Academy Trust</p> <p>TPF responsibilities: The EH is directly responsible for approval of staff absence; fixed term and permanent exclusion of students; Performance Management of staff; quality assurance and self-evaluation; links with Local Education Authority; safeguarding; employment of staff to the Academy</p>	<p>MAT responsibilities: The HT supports the CEO in the strategic development of the Multi-Academy Trust</p> <p>St Michael's responsibilities: The HT is directly responsible for approval of staff absence; fixed term and permanent exclusion of students; Performance Management of staff; quality assurance and self-evaluation; links with Local Education Authority; safeguarding; employment of staff to the Academy</p>

Tenterden Schools Trust

Method of Recruitment and Appointment of Trustees for the Year Ended 31 August 2018

Method of Recruitment and Appointment of Trustees

There are twelve Trustees (Directors) on the board and it is established at this level. Diocesan representation must be 25% and all three trustees require the Diocesan Board of Education approval. The other nine 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. Staff directors continue with the position except in the case of the Primary school director which is renewed each year.

Diocese representatives - 3

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

Staff - 3

CEO
Primary School Director - chosen by the Primary School Headteachers
Finance Director

Other - 6

These positions are filled by individuals with specific skills. There were initially filled as representatives of the Local Governing Bodies.

In future they will be 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 so six across the Trust as at 31 August 2018.

Tenterden Schools Trust
Key Performance Indicators
for the Year Ended 31 August 2018

Achievements and Performance

Homewood School & Sixth Form Centre

Ofsted May 2017 – The school remains "Good" and safeguarding is effective

Examination tracking 2018 (compared with 2017)

	Measure	2018 (All)	2017 (All)
	Cohort	336	327
Key Stage 4	% 9-4 GCSE in English (A*-C)	68	73
	% 9-5 GCSE in English	49	59
	% 9-4 GCSE in Maths (A*-C)	57	55
	% 9-5 GCSE in Maths	28	26
	% 9-4 GCSE in Maths and English (A*-C)	49	53
	% 9-5 GCSE in Maths and English	23	24
	% English Baccalaureate	8	8
	Attainment 8	37.22	37.45
	Progress 8	-0.4	-0.49
	Cohort	132	173
Key Stage 5*	A*/A grades	11	8
	A*/B grades	29	23
	A*/C grades	52	57
	A*/E grades	91	96
	APS per examination entry (Academic)	25.8	24.43
	APS per examination entry (Applied)	26.1	30.23
	* This data is weighted to take account of qualification size (eg A Level and As Level)		
Tenterden Primary Federation			
	Measure	2018 (All)	2017
		Expected/GD	
EYFS	Good Level of Development	73%	67%
Year 1	Phonics	86%	92%
Year 2	Re-take Phonics	75% (3/4)	25% (1/4)
	Reading	89%/25%	79%
	Writing	80%/31%	80%
	Maths	84%/23%	86%
	RWM	77%/10%	75%
Year 6	Reading	67%/28%	76%
	Writing	75%/20%	81%
	Maths	67%/17%	75%
	GPS	77%/27%	81%
	RWM	53%/12%	66%
	Progress in Reading	-2.2	-1.6
	Progress in writing	-1.9	-2.8
	Progress in Maths	-2.9	-2.3

Tenterden Schools Trust

Key Performance Indicators
for the Year Ended 31 August 2018

St Michael's Primary School			
	Measure	2018 (All)	2017
		Expected/GD	
EYFS	Good Level of Development	77%	82%
Year 1	Phonics	90%	86%
Year 2	Re-take Phonics	66%	67%
	Reading	78%/39%	76%
	Writing	81%/14%	68%
	Maths	76%/14%	84%
	RWM	Not reported for KS1	68%
Year 6	Reading	60%/26%	73%
	Writing	80%/21%	59%
	Maths	85%/16%	46%
	SPaG	60%/32%	46%
	RWM	60%/11%	36%
	Progress in Reading	-1.8	0.2
	Progress in Writing	-0.3	-1.1
	Progress in Maths	0	-3.6

Tenterden Schools Trust priorities for 2017 – 18			
<ul style="list-style-type: none"> Agreed expansion plan Phase 2 delivered - addition of one secondary school and at least one primary school. Achieved: 2 primary schools made applications to the RSC 			
<ul style="list-style-type: none"> Year 11: Percentage of students achieving 5+ in En and Ma at GCSE 49%; positive Progress 8. Achieved: 23% 5+ in En and Ma with -0.40 Progress 8 (unvalidated) 			
<ul style="list-style-type: none"> Years R, 1 and 2: National averages achieved or exceeded. National averages still to be confirmed 			
<ul style="list-style-type: none"> Continued focus on closing gaps for PP and SEND students, particularly in Maths in Year 11. Achieved: PP gaps closed, SEND gaps remain an area of focus for the Trust 			
<ul style="list-style-type: none"> Continue focus on closing gender gap, particularly in English in Year 11. Achieved: Gender gaps remain an area of focus for the Trust 			
<ul style="list-style-type: none"> Recruitment of students into Years R, 7 and 12 to reach PAN; retention into Year 12 80%+ Achieved: strong recruitment in Year 7 (+60); Low recruitment in Year R as expected; Lower than expected recruitment in Year 12 			
<ul style="list-style-type: none"> Quality of Teaching – 100% Good or Outstanding with 50% Outstanding. Achieved across the Trust 			
<ul style="list-style-type: none"> Fixed term exclusions reduced below 100 at Homewood, below 10 at primary schools: Achieved 			
<ul style="list-style-type: none"> Attendance at least 94% at Homewood and 96% at TPF and St Michael's; Achieved: 96% TPR, 95.3% StM, 93.6% Homewood 			
<ul style="list-style-type: none"> 0-19 Curriculum developed to improve continuity at transition points. Achieved: Good understanding established which will be developed further in 2018-19. 			
Tenterden Schools Trust priorities for 2018-19			

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

- Year 11: Percentage of students achieving 5+ in En and Ma at GCSE 49%; positive Progress 8
- Years R, 1 and 2: National averages achieved or exceeded.
- Continued focus on closing gaps for PP and SEND students
- Continue focus on closing gender gap, particularly in English in Year 11.
- Recruitment of students into Years R, 7 and 12 to reach PAN; retention into Year 12 80%+
- Attendance at least 94% at Homewood and 96% at TPF and St Michael's
- 0-19 Curriculum developed to improve continuity at transition points.

Tenterden Schools Trust

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2018**

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 2017.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2017.

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: 3/12/18

Tenterden Schools Trust

Statement of Trustees Responsibilities for the Year Ended 31 August 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

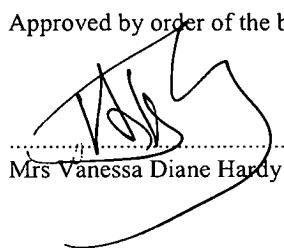
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements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

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

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 31/12/18 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 2018 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 2017 to 2018 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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

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 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. 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: 12-12-18

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 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 2017 to 31 August 2018 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: 12-12-18

Tenterden Schools Trust

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2018**

					2018	2017
	Notes	Unrestricted fund £	Restricted Fixed Assets Fund £	Restricted General funds £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	90,322	218,822	251,455	560,599	260,911
Transfer from Local Authority on conversion		-	-	-	-	1,602,163
Charitable activities						
Funding for the academy's educational operations	3	-	-	12,805,077	12,805,077	12,938,362
Other trading activities	4	560,932	-	162,713	723,645	674,012
Investment income	5	2,136	-	-	2,136	2,646
Total		653,390	218,822	13,219,245	14,091,457	15,478,094
EXPENDITURE ON						
Raising funds	7	151,638	-	260,653	412,291	395,977
Charitable activities						
Academy's educational operations		728,306	169,444	13,574,592	14,472,342	14,006,624
Total	6	879,944	169,444	13,835,245	14,884,633	14,402,601
NET INCOME/(EXPENDITURE)		(226,554)	49,378	(616,000)	(793,176)	1,075,493
Transfers between funds	21	(16,534)	16,534	-	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	-	1,209,000	1,209,000	2,500,000
Net movement in funds		(243,088)	65,912	593,000	415,824	3,575,493
RECONCILIATION OF FUNDS						
Total funds brought forward		389,558	34,318,702	(3,753,000)	30,955,260	27,379,767
TOTAL FUNDS CARRIED FORWARD		146,470	34,384,614	(3,160,000)	31,371,084	30,955,260

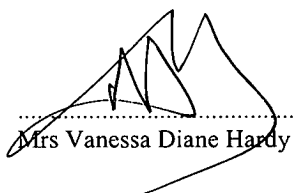
The notes form part of these financial statements

Tenterden Schools Trust

Balance Sheet
At 31 August 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	14	34,288,583	34,318,702
CURRENT ASSETS			
Stocks	15	41,743	48,147
Debtors	16	215,156	174,485
Prepayments and accrued income		391,916	328,498
Cash at bank and in hand		<u>829,259</u>	<u>830,319</u>
		1,478,074	1,381,449
CREDITORS			
Amounts falling due within one year	17	<u>(1,235,573)</u>	<u>(991,891)</u>
NET CURRENT ASSETS		<u>242,501</u>	<u>389,558</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		34,531,084	34,708,260
PENSION LIABILITY	22	<u>(3,160,000)</u>	<u>(3,753,000)</u>
NET ASSETS		<u><u>31,371,084</u></u>	<u><u>30,955,260</u></u>
FUNDS	21		
Unrestricted funds:			
General fund		146,470	389,558
Restricted funds:			
Pension reserve		(3,160,000)	(3,753,000)
Fixed Asset Fund		<u>34,384,614</u>	<u>34,318,702</u>
		<u>31,224,614</u>	<u>30,565,702</u>
TOTAL FUNDS		<u><u>31,371,084</u></u>	<u><u>30,955,260</u></u>

The financial statements were approved by the Board of Trustees on 31/12/18 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 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	(137,537)	83,778
Interest paid		<u>(3,155)</u>	<u>(1,827)</u>
Net cash provided by (used in) operating activities		<u>(140,692)</u>	<u>81,951</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(18,534)	(17,950)
Capital grants from DfE/ESFA		156,030	-
Interest received		<u>2,136</u>	<u>2,646</u>
Net cash provided by (used in) investing activities		<u>139,632</u>	<u>(15,304)</u>
 Change in cash and cash equivalents in the reporting period		<u>(1,060)</u>	<u>66,647</u>
Cash and cash equivalents at the beginning of the reporting period		<u>830,319</u>	<u>763,672</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>829,259</u></u>	<u><u>830,319</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 2018**

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

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(793,176)	1,075,493
Adjustments for:		
Depreciation	48,652	58,684
Capital grants from DfE/ESFA	(156,030)	-
Transfer from Local Authority on conversion	-	(1,511,200)
Interest received	(2,136)	(2,646)
Interest paid	3,155	1,827
Decrease/(increase) in stocks	6,405	(3,514)
Increase in debtors	(104,089)	(16,265)
Increase/(decrease) in creditors	243,682	(37,601)
Difference between pension charge and cash contributions	<u>616,000</u>	<u>519,000</u>
Net cash provided by (used in) operating activities	<u>(137,537)</u>	<u>83,778</u>

Tenterden Schools Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Consolidated Accounts

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

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Agency arrangements

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

Other income

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

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Donated goods, facilities and services

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

Raising funds includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Costs of charitable activities are incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

The buildings at Tenterden Church of England Junior School and St Michael's Church of England Primary School were not transferred to the Trust on conversion. The buildings are retained by the Canterbury Diocesan Board of Finance and the Trust has a licence to occupy these buildings with a minimum notice period of two years on a rolling basis. The Trust does not have control over these premises and as such they are not recognised as fixed assets.

Subsequent expenditure on existing fixed assets:

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

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

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

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

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

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

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

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

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

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

Stocks

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

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

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

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

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

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

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

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

Leased Assets

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Donations	90,322	253,455	343,777	198,432
Grants	-	216,822	216,822	62,479
	<u>90,322</u>	<u>470,277</u>	<u>560,599</u>	<u>260,911</u>

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

	2018 £	2017 £
Devolved Capital Grant	60,792	62,479
Condition Improvement Fund	156,030	-
	<u>216,822</u>	<u>62,479</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	12,135,272	12,135,272	12,156,232
Other DfE/ESFA Grants	-	160,363	160,363	147,890
Start Up Grants	-	-	-	90,762
	-	12,295,635	12,295,635	12,394,884
Other government grant				
Local Authority Grants	-	509,442	509,442	543,478
	-	12,805,077	12,805,077	12,938,362

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Trip income	-	162,713	162,713	117,728
Copier income	83,458	-	83,458	109,442
Farm income	9,447	-	9,447	17,247
Hire of facilities	84,101	-	84,101	67,876
Catering income	154,801	-	154,801	149,809
Shop income	83,094	-	83,094	98,218
Supply Course income	1,934	-	1,934	3,182
Consultancy income	15,670	-	15,670	10,456
PGCE Income	4,418	-	4,418	7,227
ICT recharges	2,307	-	2,307	3,294
Departmental and other income	105,950	-	105,950	74,881
English and Maths Workshops	3,111	-	3,111	1,300
Other insurance claims	12,641	-	12,641	13,352
	<u>560,932</u>	<u>162,713</u>	<u>723,645</u>	<u>674,012</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Short term deposits	<u>2,136</u>	<u>-</u>	<u>2,136</u>	<u>2,646</u>

6. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises £	Other costs £	2018 Total £	2017 Total £
Raising funds					
Costs incurred by trading for a fundraising purpose					
Direct costs	-	-	412,291	412,291	395,977
Charitable activities					
Academies educational operations					
Direct costs	9,238,034	-	1,229,205	10,467,239	10,212,775
Allocated support costs	<u>2,184,529</u>	<u>856,870</u>	<u>963,704</u>	<u>4,005,103</u>	<u>3,793,849</u>
	<u>11,422,563</u>	<u>856,870</u>	<u>2,605,200</u>	<u>14,884,633</u>	<u>14,402,601</u>

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

6. EXPENDITURE - continued

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

	2018	2017
	£	£
Auditors' remuneration	23,500	18,525
Auditors' remuneration for non audit work	3,200	1,750
Depreciation - owned assets	48,653	58,683
Operating lease rentals	<u>45,983</u>	<u>32,008</u>

7. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Purchases	79,021	260,653	339,674	299,031
Copying fundraising	<u>72,617</u>	<u>-</u>	<u>72,617</u>	<u>96,946</u>
	<u>151,638</u>	<u>260,653</u>	<u>412,291</u>	<u>395,977</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Direct costs	728,305	9,738,934	10,467,239	10,212,775
Support costs	<u>-</u>	<u>4,005,103</u>	<u>4,005,103</u>	<u>3,793,849</u>
	<u>728,305</u>	<u>13,744,037</u>	<u>14,472,342</u>	<u>14,006,624</u>

	2018 Total £	2017 Total £
Analysis of support costs		
Support staff costs	2,184,529	1,915,094
Depreciation	48,652	58,684
Technology costs	25,775	22,062
Premises costs	856,870	944,089
Other support costs	830,475	782,814
Governance costs	<u>58,802</u>	<u>71,106</u>
Total support costs	<u>4,005,103</u>	<u>3,793,849</u>

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

9. TRUSTEES' REMUNERATION AND BENEFITS

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

Mr M Seymour and Mrs S Williamson both commenced as trustees on 25 November 2016. The comparative figures disclosed below reflect the amounts paid for the periods employees were trustees. The full year equivalent is also disclosed.

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

Mrs S Lees, CEO and trustee

Remuneration	£120,000 - £125,000	(2017 - £110,000 -£115,000)
Employer's pension contributions	£15,000 - £20,000	(2017 - £15,000 - £20,000)

Mr M Seymour, Finance Director and trustee

Remuneration	£75,000 - £80,000	(2017 - £55,000 - £60,000 (9 months) £75,000 - £80,000 (full year))
Employer's pension contributions	£15,000 - £20,000	(2017 -£10,000 - £15,000 (9 months) £10,000 - £15,000 (full year))

Mrs S Williamson, Primary Schools Director and trustee

Remuneration	£55,000 - £60,000	(2017 - £40,000 - £45,000 (9 months) £55,000 - £60,000 (full year))
Employer's pension contributions	£5,000 - £10,000	(2017 - £5,000 - £10,000 (9 months) £5,000 - £10,000 (full year))

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2018 nor for the year ended 31 August 2017.

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

10. STAFF COSTS

	2018 £	2017 £
Wages and salaries	8,426,802	8,087,495
Social security costs	787,354	751,231
Operating costs of defined benefit pension schemes	1,923,432	1,746,819
Apprenticeship levy	<u>26,881</u>	<u>10,457</u>
	11,164,469	10,596,002
Supply teacher costs	216,472	238,176
Compensation payments	<u>41,622</u>	<u>4,550</u>
	<u>11,422,563</u>	<u>10,838,728</u>

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

	2018	2017
Teachers	142	136
Administration and support	183	159
Management	<u>16</u>	<u>15</u>
	<u>341</u>	<u>310</u>

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

	2018	2017
£60,001 - £70,000	2	2
£70,001 - £80,000	1	2
£110,001 - £120,000	-	1
£120,001 - £130,000	<u>1</u>	<u>-</u>
	<u>4</u>	<u>5</u>

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 employer's pension contributions for these staff amounted to £41,680 (2017 - Four employees £52,087). The other employee participated in the Local Government Pension Scheme. Employer's pension contributions amounted to £15,515 (2017 - £14,929).

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 £545,067 (2017 - £617,266).

Included in staff costs are non statutory/non contractual severance payments totalling £41,622 (2017 - £4,550). Individually the payments made were £22,500 made on 6 September 2017, £500 made on 30 October 2017, £9,592 made on 31 October 2017 and £9,030 made on 8 February 2018.

11. TRUSTEES' AND OFFICERS' INSURANCE

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

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

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	26,009	62,480	172,422	260,911
Transfer from Local Authority on conversion	90,963	2,227,200	(716,000)	1,602,163
Charitable activities				
Funding for the academy's educational operations	-	-	12,938,362	12,938,362
Other trading activities	556,284	-	117,728	674,012
Investment income	<u>2,646</u>	<u>-</u>	<u>-</u>	<u>2,646</u>
Total	675,902	2,289,680	12,512,512	15,478,094
EXPENDITURE ON				
Raising funds	172,091	-	223,886	395,977
Charitable activities				
Academy's educational operations	<u>328,126</u>	<u>121,163</u>	<u>13,557,335</u>	<u>14,006,624</u>
Total	500,217	121,163	13,781,221	14,402,601
NET INCOME/(EXPENDITURE)	175,685	2,168,517	(1,268,709)	1,075,493
Transfers between funds	<u>(51,659)</u>	<u>17,950</u>	<u>33,709</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>
Net movement in funds	124,026	2,186,467	1,265,000	3,575,493
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>265,532</u>	<u>32,132,235</u>	<u>(5,018,000)</u>	<u>27,379,767</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>389,558</u></u>	<u><u>34,318,702</u></u>	<u><u>(3,753,000)</u></u>	<u><u>30,955,260</u></u>

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

13. CENTRAL SERVICES

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

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

The trust charges for these services on the basis of 4.2% of General Annual Grant income received.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Homewood School & Sixth Form Centre	393,740	291,700
St Michael's Church of England Primary School	25,175	16,622
Tenterden Infant School	24,884	18,993
Tenterden Church of England Junior School	<u>32,384</u>	<u>23,323</u>
	<u>476,183</u>	<u>350,638</u>

Tenterden Schools Trust became a multi academy trust on 1 December 2016. The comparative figures above relate to a nine month period.

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

14. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Improvements to property £	Plant and machinery £
COST				
At 1 September 2017	31,843,361	2,227,200	369,695	25,121
Additions	-	-	-	-
At 31 August 2018	<u>31,843,361</u>	<u>2,227,200</u>	<u>369,695</u>	<u>25,121</u>
DEPRECIATION				
At 1 September 2017	-	-	149,483	16,753
Charge for year	-	-	<u>36,165</u>	<u>5,025</u>
At 31 August 2018	-	-	<u>185,648</u>	<u>21,778</u>
NET BOOK VALUE				
At 31 August 2018	<u>31,843,361</u>	<u>2,227,200</u>	<u>184,047</u>	<u>3,343</u>
At 31 August 2017	<u>31,843,361</u>	<u>2,227,200</u>	<u>220,212</u>	<u>8,368</u>
	Site Improvements £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2017	-	105,200	68,697	34,639,274
Additions	<u>13,734</u>	<u>4,800</u>	-	<u>18,534</u>
At 31 August 2018	<u>13,734</u>	<u>110,000</u>	<u>68,697</u>	<u>34,657,808</u>
DEPRECIATION				
At 1 September 2017	-	85,640	68,696	320,572
Charge for year	<u>1,373</u>	<u>6,090</u>	-	<u>48,653</u>
At 31 August 2018	<u>1,373</u>	<u>91,730</u>	<u>68,696</u>	<u>369,225</u>
NET BOOK VALUE				
At 31 August 2018	<u>12,361</u>	<u>18,270</u>	<u>1</u>	<u>34,288,583</u>
At 31 August 2017	-	<u>19,560</u>	<u>1</u>	<u>34,318,702</u>

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

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

15. STOCKS

	2018	2017
	£	£
Clothing	<u>41,743</u>	<u>48,147</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	78,845	72,585
Other debtors	4,633	5,123
VAT	<u>131,678</u>	<u>96,777</u>
	<u>215,156</u>	<u>174,485</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	304,804	264,698
Social security and other taxes	193,955	193,956
Other creditors	470,859	169,912
Accrued expenses	<u>265,955</u>	<u>363,325</u>
	<u>1,235,573</u>	<u>991,891</u>

Deferred income

	2018	2017
	£	£
Deferred income at 1 September 2017	115,698	65,770
Released from previous years	(115,698)	(65,770)
Resources deferred in the year	<u>112,658</u>	<u>115,698</u>
Deferred income at 31 August 2018	<u>112,658</u>	<u>115,698</u>

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

18. LEASING AGREEMENTS

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

	2018	2017
	£	£
Within one year	53,771	34,198
Between one and five years	<u>98,646</u>	<u>64,110</u>
	<u>152,417</u>	<u>98,308</u>

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

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

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

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

	2017		
	Unrestricted fund	Restricted Fixed Assets Fund	Restricted General funds
	£	£	£
Fixed assets	-	34,318,702	-
Current assets	1,381,449	-	-
Current liabilities	(991,891)	-	-
Pension liability	-	-	(3,753,000)
	<u>389,558</u>	<u>34,318,702</u>	<u>(3,753,000)</u>
			<u>30,955,260</u>

21. MOVEMENT IN FUNDS

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

The transfer between funds represents fixed asset additions funded from General Funds.

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

21. MOVEMENT IN FUNDS - continued

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

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

Comparatives for movement in funds

	At 1.9.16 £	Net movement in funds £	Transfers between funds £	At 31.8.17 £
Unrestricted Funds				
General fund	265,532	175,685	(51,659)	389,558
Restricted Funds				
School voluntary fund	-	(33,709)	33,709	-
Pension reserve	(5,018,000)	1,265,000	-	(3,753,000)
Fixed Asset Fund	<u>32,132,235</u>	<u>2,168,517</u>	<u>17,950</u>	<u>34,318,702</u>
	27,114,235	3,399,808	51,659	30,565,702
TOTAL FUNDS	<u>27,379,767</u>	<u>3,575,493</u>	<u>-</u>	<u>30,955,260</u>

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

21. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	675,902	(500,217)	-	175,685
Restricted funds				
School voluntary fund	290,152	(323,861)	-	(33,709)
General Annual Grant	12,156,230	(12,156,230)	-	-
Other DfE/ESFA grants	147,890	(147,890)	-	-
Start Up Grant	90,762	(90,762)	-	-
Pension reserve	(716,000)	(519,000)	2,500,000	1,265,000
Other Government Grants	543,478	(543,478)	-	-
Fixed Asset Fund	2,289,680	(121,163)	-	2,168,517
	<u>14,802,192</u>	<u>(13,902,384)</u>	<u>2,500,000</u>	<u>3,399,808</u>
TOTAL FUNDS	<u>15,478,094</u>	<u>(14,402,601)</u>	<u>2,500,000</u>	<u>3,575,493</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.16 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Unrestricted funds				
General fund	265,532	(50,869)	(68,193)	146,470
Restricted funds				
School voluntary fund	-	(33,709)	33,709	-
Pension reserve	(5,018,000)	1,858,000	-	(3,160,000)
Fixed Asset Fund	<u>32,132,235</u>	<u>2,217,895</u>	<u>34,484</u>	<u>34,384,614</u>
	<u>27,114,235</u>	<u>4,042,186</u>	<u>68,193</u>	<u>31,224,614</u>
TOTAL FUNDS	<u>27,379,767</u>	<u>3,991,317</u>	<u>-</u>	<u>31,371,084</u>

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

21. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined 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	1,329,292	(1,380,161)	-	(50,869)
Restricted funds				
School voluntary fund	657,816	(691,525)	-	(33,709)
General Annual Grant	24,291,499	(24,291,499)	-	-
Other DfE/ESFA grants	308,253	(308,253)	-	-
Start Up Grant	90,762	(90,762)	-	-
Pension reserve	(716,000)	(1,135,000)	3,709,000	1,858,000
Other Government Grants	1,052,920	(1,052,920)	-	-
Other income	46,507	(46,507)	-	-
Fixed Asset Fund	<u>2,508,502</u>	<u>(290,607)</u>	<u>-</u>	<u>2,217,895</u>
	<u>28,240,259</u>	<u>(27,907,073)</u>	<u>3,709,000</u>	<u>4,042,186</u>
TOTAL FUNDS	<u><u>29,569,551</u></u>	<u><u>(29,287,234)</u></u>	<u><u>3,709,000</u></u>	<u><u>3,991,317</u></u>

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

21. MOVEMENT IN FUNDS - continued

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

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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

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

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Homewood School & Sixth Form Centre	166,034	316,318
St Michael's Church of England Junior School	28,080	45,898
Tenterden Infants School	3,168	27,547
Tenterden Church of England Junior School	224	20,291
Central Services	<u>(51,036)</u>	<u>(20,496)</u>
Total before fixed assets and pension reserve	146,470	389,558
Restricted fixed assets fund	34,384,614	34,318,702
Pension reserve	<u>(3,160,000)</u>	<u>(3,753,000)</u>
	<u><u>31,371,084</u></u>	<u><u>30,955,260</u></u>

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

21. MOVEMENT IN FUNDS - continued

Total cost analysis by academy

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £
Homewood School & Sixth Form Centre	7,370,460	1,081,009	724,890
St Michael's Church of England Junior School	557,958	48,375	34,241
Tenterden Infants School	626,633	88,563	40,953
Tenterden Church of England Junior School	651,756	89,854	24,647
Central Services	31,226	354,729	8,599
Academy Trust	<u>9,238,033</u>	<u>1,662,530</u>	<u>833,330</u>

	Other costs (excluding) depreciation £	Total 2018 £	Total 2017 £
Homewood School & Sixth Form Centre	1,987,679	11,164,038	11,441,698
St Michael's Church of England Junior School	122,826	763,400	582,247
Tenterden Infants School	94,288	850,437	674,297
Tenterden Church of England Junior School	175,113	941,370	744,027
Central Services	106,182	500,736	382,651
Academy Trust	<u>2,486,088</u>	<u>14,219,981</u>	<u>13,824,920</u>

22. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £170,838 were payable to the schemes at 31 August 2018 (2017 - £170,211) and are included within creditors.

Teachers' pension scheme

Introduction

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

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

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

22. PENSION AND SIMILAR OBLIGATIONS - continued

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £915,000 (2017: £835,000).

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 2018 was £635,000 (2017: £599,000), of which employer's contributions totalled £486,000 (2017: £457,000) and employees' contributions totalled £149,000 (2017: £142,000). The agreed contribution rates for future years are 19.8 per cent for employers and 5.5 to 12.5 per cent for employees.

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

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Present value of funded obligations	(10,980,000)	(10,705,000)
Fair value of plan assets	<u>7,820,000</u>	<u>6,952,000</u>
	<u>(3,160,000)</u>	<u>(3,753,000)</u>
Deficit	<u>(3,160,000)</u>	<u>(3,753,000)</u>
Liability	<u>(3,160,000)</u>	<u>(3,753,000)</u>

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

22. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	Defined benefit pension plans	
	2018	2017
	£	£
Current service cost	1,008,000	871,000
Net interest from net defined benefit asset/liability	91,000	102,000
Administrative expenses	3,000	3,000
	<u>1,102,000</u>	<u>976,000</u>
Actual return on Fund assets	<u>320,000</u>	<u>943,000</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Defined benefit obligation	10,705,000	9,262,000
Current service cost	1,008,000	871,000
Contributions by scheme participants	149,000	142,000
Interest cost	279,000	264,000
Actuarial losses/(gains)	(1,077,000)	(1,173,000)
Benefits paid	(84,000)	(101,000)
Conversion of academy trusts	-	1,440,000
	<u>10,980,000</u>	<u>10,705,000</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Fair value of scheme assets	6,952,000	4,244,000
Interest on assets	188,000	162,000
Contributions by employer	486,000	457,000
Contributions by scheme participants	149,000	142,000
Return on assets less interest	132,000	781,000
Actuarial gains/(losses)	-	546,000
Benefits paid	(84,000)	(101,000)
Conversion of academy trusts	-	724,000
Administrative expenses	(3,000)	(3,000)
	<u>7,820,000</u>	<u>6,952,000</u>

Tenterden Schools Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

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

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

	Defined benefit pension plans	
	2018	2017
	£	£
Actuarial gains/(losses)	<u>1,209,000</u>	<u>2,500,000</u>
	<u><u>1,209,000</u></u>	<u><u>2,500,000</u></u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Equities	5,331,000	4,896,000
Gilts	60,000	48,000
Other Bonds	694,000	669,000
Property	967,000	853,000
Cash	239,000	220,000
Absolute Return Fund	<u>529,000</u>	<u>266,000</u>
	<u><u>7,820,000</u></u>	<u><u>6,952,000</u></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 2017) for the year to 31 August 2018. The returns on gilts and other bonds are assumed to be gilt yield and corporate bond yield (with an allowance for defaults) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

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

	2018	2017
Discount rate	2.6%	2.6%
Future salary increases	3.8%	4.2%
Future pension increases	2.3%	2.7%
Inflation assumption (CPI)0	2.3%	2.7%

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

	2018	2017
Retiring today		
Males	23.1	23.0
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

The estimated value of employer contributions for the year ended 31 August 2019 is £486,000.

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

22. PENSION AND SIMILAR OBLIGATIONS - continued

Sensitivity Analysis

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

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
- Present value of total obligation	10,751,000	10,980,000	11,214,000
- Projected service cost	884,000	903,000	922,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
- Present value of total obligation	11,010,000	10,980,000	10,950,000
- Projected service cost	903,000	903,000	903,000
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
- Present value of total obligation	11,184,000	10,980,000	10,781,000
- Projected service cost	922,000	903,000	884,000
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
- Present value of total obligation	11,355,000	10,980,000	10,618,000
- Projected Service cost	932,000	903,000	875,000

23. CONTINGENT LIABILITIES

No contingent liabilities existed at the year end.

24. CAPITAL COMMITMENTS

	2018 £	2017 £
Contracted but not provided for in the financial statements	<u>458,237</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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

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

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

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

Tenterden Schools Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

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 2018 the trust received £38,821 and this was all disbursed from the fund.

27. HOME FARM CHILDRENS NURSERY LIMITED

On 1 April 2014 Home Farm Childrens Nursery Limited, which operates the nursery on the Trust's land, became a subsidiary company to the Trust. This was agreed by the ESFA at the same time as a new 5 year lease was sanctioned by them, granting the nursery a continuing leasehold over the building and surrounding land. 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 2018 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 2018 total Incoming Resources in the subsidiary were £327,489 (2017 - £281,529) and there was a surplus for the year of £16,119 (2017 - £16,290) all in unrestricted funds. The surplus is after donations made to Tenterden Schools Trust of £14,990 (2017 - £5,000), rent paid to Tenterden Schools Trust of £12,144 (2017 - £12,125) and fees for payroll maintenance paid to Tenterden Schools Trust of £1,200 (2017 - £1,190). At 31 August 2018 the subsidiary had total net assets of £70,653 (2017 - £54,534). All of these net assets represent unrestricted funds, with fixed assets of £5,723 (2017 - £6,391) and net current assets of £64,930 (2017 - £48,143).

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