

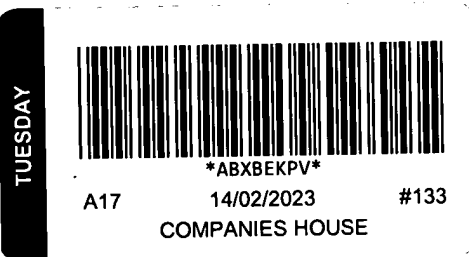
Companies House

**The Kemnal  
Academies Trust**

**Annual Report and Financial  
Statements**

31 August 2022

Company Limited by Guarantee  
Registration Number  
07348231 (England and Wales)



## Contents

### Reports

Reference and administrative information	1
Trustees' report (incorporating a strategic report)	3
Governance statement	33
Statement on regularity, propriety and compliance	44
Statement of Trustees' responsibilities	45
Independent auditor's report	46
Independent reporting accountant's report on regularity	51

### Financial Statements

Statement of financial activities	53
Balance sheet	54
Statement of cash flows	55
Principal accounting policies	57
Notes to the financial statements	65

## Reference and administrative information

<b>Members</b>	John Atkins (resigned 17 February 2022) Professor Jane Harrington (appointed 26 January 2022) Sarah Jacobs (appointed 13 September 2022) Aruna Mehta (resigned 22 November 2021) Quentin Roper* Raymond Vooght Matthew Wilson (appointed 26 January 2022)  <i>* Diocesan Member representing The Diocese of Canterbury Academies Company Limited</i>
<b>Trustees</b>	Gaenor Bagley, Chair Peter Baines John Harrison Simon Judge Karen Roberts, Chief Executive Officer and Accounting Officer Claire Robins OBE Mark Swyny Elaine Thomas
<b>Company Secretary</b>	Claire Lee
<b>Company registration number</b>	07348231 (England and Wales)
<b>Principal and registered office</b>	Atkins Conference Centre Kemnal Technology College Sevenoaks Way Sidcup Kent DA14 5AA
<b>Senior Leadership Team</b>	
Chief Executive Officer	Dr Karen Roberts
Deputy Chief Executive Officer	Elizabeth Harrison
Director of Finance and Operations	Steve Dickman
Director of HR	Simon Rose
Senior Educational Director of Secondaries	Matt Batchelor
Director of Learning	Sarah Jacobs (until 31 August 2022)
Senior Educational Director of Primaries	Neil Small
Director of Development and Strategy	Mike Garlick (from May 2022)

## Reference and administrative information

<b>External auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Internal auditor</b>	Crowe UK 55 Ludgate Hill London EC4M 7JW
<b>Bankers</b>	Lloyds Bank plc 177-179 High Street Orpington Kent BR6 0LJ
<b>Solicitors</b>	Anthony Collins 134 Edmund Street Birmingham B3 2ES
<b>Website</b>	<a href="http://www.tkat.org">www.tkat.org</a>





















## Trustees' report (incorporating a strategic report) 31 August 2022

The Trustees present their annual report, which includes the strategic report together with the audited financial statements of The Kemnal Academies Trust ('TKAT' or 'the Trust') for the year ended 31 August 2022. This annual report serves the purpose of both a Trustees' report and a Directors' report under company law.










The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).










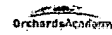




### PRINCIPAL OBJECT

The principal object of the Trust is the advancement of education for the public benefit in the United Kingdom through the operation of a group of academies. Our ultimate aim is to ensure we drive educational standards through the provision of outstanding teaching, leadership and learning for all. Our leaders focus on pupil progress and attainment, and regularly share knowledge, insight and experience. We believe passionately in the power of collaborative working and actively promote school-to-school support. In the year ended 31 August 2022, TKAT operated 45 academies across the South and East of England as noted below (2021: 45 academies):



Our Primary Academies				
 Broadfield Primary Academy	 Dame Janet Primary Academy	 Drapers Mills Primary Academy	 East Wickham Primary Academy	 Front Lawn Primary Academy
 Grays Farm Primary Academy	 Heybridge Primary School	 Hilltop Primary School	 Horizon Primary Academy	 Maldon Primary School
 Napier Community Primary and Nursery Academy	 Newlands Primary School	 Northdown Primary School	 Ore Village Primary Academy	 Pebsham Primary Academy
 Pluckley C of E Primary School	 Portfield Primary Academy	 Royal Park Primary Academy	 Salmestone Primary School	 Seal Primary School

PRINCIPAL OBJECT (continued)

Our Primary Academies				
 Seymour Primary School	 Smarden Primary School	 Stapleford Abbotts Primary Academy	 Tangmere Academy	 The Bewbush Academy
 The Mill Primary Academy	 The Oaks Primary School	 Weyfield Primary Academy	 Willow Brook Primary School and Nursery	

Our Secondary Academies				
 Bridgemary School	 Chichester High School	 Cleeve Park School	 Debden Park High School	 Havant Academy
 Hylands School	 Kemnal Technology College	 King Harold Academy	 Miltoncross Academy	 Orchards Academy
 Rainham School for Girls	 The Academy, Selsey	 Thomas Bennett Community College	 Welling School	

**PRINCIPAL OBJECT (continued)**

Our Special Academies				
 Shenstone School - All though	 Cleeve Meadow School Cleeve Meadow School - Secondary			

**Purpose**

Within our TKAT family of schools the shared and common purpose is to ensure that all pupils, regardless of the traditional barriers to success, have the opportunities and resources to achieve their academic and career aspirations within a safe, inclusive and ambitious organisation.

**Vision**

A community of learners who share the mindset of success and are driven by the prospect of opportunity for all. An environment of aspiration, respect and openness, enabling staff and students to thrive.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Kemnal Academies Trust is a company limited by guarantee (registration number 07348231) and an exempt charity. The Trust's memorandum and articles of association dated 17 April 2019 is the primary governing document. The Trustees of The Kemnal Academies Trust are also the Directors of the charitable company for the purposes of company law. The Trust operates as both The Kemnal Academies Trust and TKAT.

Funding for educational activities is governed by master funding agreements between the Trust and the Secretary of State for Education. There are four master funding agreements between TKAT and the Secretary of State for academies joining the Trust more recently. TKAT's website contains copies of all the master funding agreements and details of which academies each of the agreements refer to.

Details of the Members and Trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

**Members' liability**

Each Member of the Trust undertakes to contribute to the assets of the Trust 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.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Trustees', Directors' and Governors' indemnities**

The Trust's insurers indemnify against any claims in respect of any civil liability, which arises out of the conduct of the insured in their personal capacity as a Trustee, Director, Governor or Officer of the Trust.

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

The articles of association require the appointment of at least three Trustees to the Trust. Members may appoint up to six Trustees, one Trustee can be appointed by the Diocesan Member, representing The Diocese of Canterbury, and the Chief Executive Officer is a Trustee. The Trustees are able to co-opt up to three Trustees.

Parent representation is at Local Governing Body level, by election from the parent body of each academy.

The Members and Trustees look for the most appropriate candidates bringing relevant identified skill sets when appointing new Trustees. Regard is given to the right balance of skills and experience amongst the Trustees and to ensure diversity of backgrounds.

### **Trustees' term of office**

The term of office for any Trustee other than the Chief Executive Officer, is four years. Any Trustee may be reappointed. New Trustees are appointed to the Board following a rigorous selection process undertaken by current Trustees and Members.

### **Policies and procedures adopted for the induction and training of Trustees**

Training and induction for new Trustees is tailored to their requirements and their previous experience. The Trustees have access to policies, procedures, minutes, budgets, management accounts and financial forecast data and other relevant plans and documents that they need to fulfil their role as Trustees.

### **Organisational structure**

As per the Academy Trust Governance Structures and Role Descriptors, TKAT Members have a general duty to exercise their powers to further the Academy Trust's charitable objects, and although they are not involved in the day-to-day business of the Trust, play a limited but crucial role in safeguarding Academy Trust governance and holding Trustees to account.

Trustees as strategic leaders of the academy trust form the board, the decision-making body of the academy trust and are accountable and responsible for the Trust and all 45 academies. In addition to the Board, trustees serve on one or more Board Committees; the Finance Committee, Audit and Risk Committee, HR Committee and Education Committee. The committees meet regularly throughout the academic year and report to the Board. In addition to the statutory committees, the Trust continues to hold less formal Trustee meetings, to allow for more lengthy, detailed discussions on key topics, which have proved extremely beneficial.



## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Organisational structure (continued)**

The Trustees have delegated the day to day management of the Trust to the Chief Executive Officer who is supported by a Senior Leadership Team (SLT), as detailed in the Reference and Administrative Information on page 1. In addition to this, an extended executive team comprising Educational Directors and other department leads has been established to further support the core SLT. Both the SLT and extended executive team meet on a regular basis to monitor the educational performance of pupils and the financial and operational performance of the Trust. The Chief Executive Officer is also the Accounting Officer for the Trust.

Local accountability is delegated to each academy Headteacher and additionally is supported by a Local Governing Body established as a committee of the Board. The Trustees delegate the following functions to the Local Governing Body of each academy:

1. Represent the Academy's local community and stakeholders by ensuring that the Academy's policies and practice meet the community's needs. This includes ensuring appropriate and effective parent engagement and communication.
2. Support Directors of Education to improve Academy outcomes.
3. Support the school's Senior Leadership Team to ensure staffing is effective and efficient.

Trustees continue to be linked to a group of academies and make regular visits to meet with staff and pupils. These visits enable Trustees to observe how the Board vision and strategy is working at school level. Feedback from visits is shared with the Board.

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

Annual Pay reviews are linked to performance. The HR Committee reviews the performance of the CEO. As part of the pay review, the Committee undertakes benchmarking by looking at pay of other CEOs in similar sized MATs and public sector bodies. The committee also takes account of School Teachers' Review Body (STRB) recommendations. Underlying base pay is set annually within a market-informed range as set by the HR Committee. Recommendations falling outside of this range are considered by the full Board.

A benchmarking exercise of Senior Executive pay against 5 of the largest MATs and comparable public sector bodies is reviewed by the HR Committee. Annual Pay reviews are linked to performance, as part of the TKAT wide appraisal policy. The CEO makes a recommendation on the SLT to the HR Committee.

All TKAT executives have a base pay point and, where appropriate evidence is provided, may be awarded a performance-related bonus up to a total of 5% of their base pay; 2.5% linked with personal targets, and 2.5% linked to achievement of organisational targets.

Annual salary reviews normally take place in September each year. Increases are benchmarked against the market data gathered annually and against any significant change in role or responsibility.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Trade union facility time

In accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the following information has been provided in respect of Trust employees involved in Trade Union Facility Time activity.

Relevant union officials	
Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	5.42
Percentage of time spent on facility time	
Percentage of time	Number of employees
0%	0
1-50%	5
51%-99%	1
100%	0
Percentage of pay bill spent on facility time	
Provide the total cost of facility time	£72,515
Provide the total pay bill	£115,591,319
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.06%
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%

The Trust continues to work effectively and collaboratively with its recognised trade unions via regular Trust Consultation and Negotiation Committee (TCNC) meetings and ad-hoc consultation processes. The Trades Unions continue to be complimentary of the TKAT Health and Safety Policy and hold it as an exemplar.

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Related Parties and other Connected Charities and Organisations**

The Trust shares Members and Trustees with an associated company and is therefore considered to be in control of The Kemnal Consultancy Limited (Company Registration Number 06651917). The company is inactive and there has been no trading for the year to 31 August 2022 (2021 – no activity).

Related party transactions between the Trust's key management personnel and other charities, companies or organisations are extensively reviewed and disclosed within these financial statements.

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

***Pupils, parents and local communities***

The Trust's relationship with its pupils, parents and the local communities is not only key to the academic successes of our students, but also assists with the Trust's long-term financial viability by attracting pupils into our academies. One of the key responsibilities that the TKAT Board has delegated to Local Governing Bodies is to represent their academy's local community and stakeholders by ensuring that the academy's policies and practice meet the community's needs. This includes ensuring appropriate and effective parent engagement and communication. Individual academies regularly communicate with parents via email, letters or by the use of apps to update on their child's academic achievements, areas to focus on when undertaking homework, and general pastoral issues.

In addition, the Trust's Twitter and website visits continue to increase. In 2021/2022, the TKAT website attracted 111,000 page views. In the last 2 years, we have increased our number of followers on Twitter by almost 20% to over 2,200. Our Trust's termly newsletter has been up and running for 2 years. It is sent directly to all 3,000 employees, and via our schools is cascaded to almost 15,000 TKAT families. It is also made public via the TKAT website. Each edition features an article called "meet the trustees".

The Trust consults parents and the local communities and local authorities when required and one of the most powerful methods of communication, especially when reaching out to harder to engage families, is via staff and Senior Leaders being present at the beginning and end of the school day and taking the time to speak to parents.

The Trust updated its welcome brochure that can be shared with all key stakeholders, and it continues to benefit from the relationships built with families as a result of the Trust's quick and decisive actions during Covid.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Engagement with suppliers, customers and others in a business relationship with the Trust (continued)

#### *Engagement with employees (continued)*

Friday 30 September 2022 was a critical day for the Trust. Every member of every schools' Senior Leadership Team (SLT) and the Extended TKAT leadership team were represented at the first ever TKAT conference at the O2 centre in London. Over 400 people attended. The Right Honourable David Lawes spoke about supporting disadvantaged children to ensure improved life chances and praised our TKAT ACE strategy. Delegates then heard TKAT leaders launch the Strategic Intent Framework which outlines the TKAT journey for the next three years. The day ensured that the culture of **#oneTKATfamily** and achieving more together will be woven through all TKAT future activities.

Along with the training and development opportunities for employees within the Trust, the annual pay award continues to keep pace with national rates, with the Trust's employees on a Leadership Scale currently being remunerated above the National Advisory level. The Trust is fully focused on its recruitment and retention strategy and when setting pay scales, ensures any new rates are affordable within the resources available to keep the risk of any future redundancies to a minimum.

The Human Resources and Health and Safety teams meet regularly to discuss key employee issues, with annual Health and Safety Policy continuing to be highlighted as outstanding in ensuring the safety of the Trust's 3,500+ employees.

The SLT continues to communicate directly with schools via TKAT 10 (a short 3x weekly briefing to SLTs), TKAT Termly and departmental newsletters and forums.

The Workforce Inclusion Network (WIN) is now entering its second year and we are working to deliver against year 2 of the 3-year WIN plan. We have also concluded our staff survey, which has been discussed at Board level, shared with the WIN chairs and will shortly be communicated to individual schools.

With regards to disability, our WIN Disability group has already made advances in terms of identifying and removing barriers for physically disabled people; we are looking at creating a new WIN group specifically to consider issues and opportunities around Neurodiversity. We continue to support those with new or existing disabilities via open dialogue, occupational health support and implementation of adjustments wherever possible.

Our information and support sessions around menopause have been particularly well received and will continue this year. We have also reviewed policies around Inclusion and Wellbeing, including advice on adopting a whole-school approach to flexible working following research both internally and in partnership with Timewise and two other large MATs.

In addition, employees continue to benefit from the Employee Assistance Programme offered through the Zurich Insurance contract, and the Trust is currently exploring the potential to implement a salary sacrifice scheme linked to the leasing of electric cars

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Engagement with suppliers, customers and others in a business relationship with the Trust (continued)**

#### ***Suppliers***

The Trust continues to be committed to ensuring it retains a good relationship with its supply chain, to ensure staff and pupils have access to key resources for staff to be able to deliver a high quality education service to the benefit of the pupils.

As the Trust enters into more Trust wide longer term contracts it has been able to develop strategic relationships with these key suppliers. In some cases this has been the result of a contract renewal being won by the incumbent supplier, most notably external audit, internal audit, insurance, and financial software provision, or a new supplier to the Trust such as its broadband services supplier. In addition to developing strategic relationships with individual key suppliers to identify how we can continuously improve the services delivered we have been working collaboratively and in partnership across the supply chain, with suppliers working together with the Trust to deliver its required services. This is particularly evident in the delivery of the Trust's IT solutions.

The Asset Management Framework Agreement (AMFA) consists of 12 lots, covering property consultants and the full range of capital project types. The lotting strategy was designed to meet the different needs of the academies and Corporate Services, and to encourage smaller regional contractors to participate in the procurement process. There is no guarantee of spending through the framework agreement, however it does establish a list of contractors who have evidenced their ability to carry out the works required and have met TKAT's requirements for H&S, DBS, Insurance, environmental and quality standards, competence and capability etc

In line with the Department for Business, Energy and Industrial Strategy's payment practice and performance reporting expectations, invoices not subject to query, were paid within an average of 10.5 days from the date of receipt.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and aims**

The Trust's principal objective is 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 academies by offering a broad and balanced curriculum.

Our key aim is to improve educational standards in all academies within the Trust, to that end, our objectives and activities are geared to achieving that goal. The recently launched 2022-2025 Strategic Intent Framework outlined the following key pillars to ensure the delivery of the Trust's ongoing aims:

- ◆ Working as an integrated team
- ◆ Supporting those most in need

## **OBJECTIVES AND ACTIVITIES (continued)**

### **Objects and aims (continued)**

- ◆ Improve educational outcomes
- ◆ Employer of choice
- ◆ Providing a sustainable infrastructure

The above not only focuses on the imperative to provide the highest quality leaders and teachers within all academies to deliver positive educational outcomes and experiences for all pupils within the TKAT family, but also to provide bespoke school to school support to allow each academy to move into their next phase of development. It also continues to place a key focus on ensuring the financial viability and sustainability of the Trust going forward remains at the forefront.

### **Objectives, strategies and activities**

To ensure the Trust moves towards and achieves its vision and ambition through the delivery of the five pillars of intent shown above, a comprehensive improvement plan has been developed and approved by Trustees, with some of the key priorities for 2022/2023 set as follows:

- ◆ Develop and embed common curriculum approaches
- ◆ Embed a cohesive programme to support and align the improvement of Teaching & Learning
- ◆ Overcome barriers through the TKAT ACE programme
- ◆ Develop a sense of agency for all colleagues to be empowered
- ◆ Agree and gain commitment from all employees to the **#oneTKATfamily**
- ◆ Equip Headteachers and senior teams to lead schools successfully into the future, whilst enjoying and feeling fulfilled in their role.
- ◆ Migration of academies to a single School Management System (SMS)
- ◆ Develop and embed a Sustainability Strategy and a roadmap for the Trust

It is recognised that true collaboration between academies promotes rapid school improvement. This, coupled with an understanding of the economic outlook for education in the forthcoming years, promotes a need for creative and innovative ways of using a finite resource to ensure academies are to be financially sustainable.

Overall 84% (2021: 77%) of our schools are rated good or better by Ofsted, with 93% (2021: 87%) at primary, and 64% (2021: 57%) at secondary. We currently have two schools in category, one secondary and one primary academy. Both are now adhering to non-negotiable action plans and monitoring programmes.

## **OBJECTIVES AND ACTIVITIES (continued)**

### **Objectives, strategies and activities (continued)**

Following the school closures and the temporary suspension of section 5 Ofsted inspections, the majority of inspections have been Section 8, which have provided positive feedback although do not change the overall gradings.

To ensure the Trust remains financially robust and in a position to quickly direct funds towards the greatest areas of need, it continues to seek new and innovative ways to generate income to complement the annual Education and Skills Funding Agency (ESFA) grants. It regularly reviews individual academies delivery models to seek efficiencies, in particular educational and back office support staff, and has increased the levels of Trust-wide procurement contracts to ensure value for money for both academies and the HQ centre. In addition, where grant rules allow, the Trust's family of academies are now fully committed to sharing additional in-year revenue grants. This ensured that much needed resources could be used to support centrally led strategic initiatives that have improved both pupils' outcomes and experiences.

### **Public benefit**

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

## **STRATEGIC REPORT**

### **Achievements and performance**

#### ***TKAT ACE Project***

The purpose of TKAT ACE is to improve the life chances of our most vulnerable pupils by ensuring that they and their families have regular one-to-one contact which builds relationships and overcomes barriers.

2021/2022 started with the very positive review of the 2020/21 seven school pilot from ImpactEd, an award-winning social enterprise that supports schools and education organisations to evaluate their impact, learn from it, and prioritise what is working best for young people.

The objective for 2021/2022 was to build on this success and roll the pilot out to all schools. To support this, 5 Regional ACE leads were appointed. They have got to know their schools well and developed credibility in their regions so they have been able to provide effective challenge and support. To enable schools to transition to TKAT ACE and enable a full roll out, just under £1 million was allocated to the project, partly funded by catch up funding.

By the end of the academic year all schools were running extensive pilots (involving 30%+ of Pupil Premium pupils) and had plans in place for a full rollout. The draft 2021/2022 ImpactEd evaluation indicates that the ACE programme, as it has expanded, has had an even greater impact both on pupil attainment and other performance indicators such as motivation, goal orientation and wellbeing.

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

***TKAT ACE Project (continued)***

The highlights:

- ◆ TKAT ACE pupils' attainment improved faster than non pupil premium pupils
  - ◇ Primary pupils participating in the TKAT ACE programme saw a larger increase in their Reading and Maths scores compared to non-ACE pupils and non-ACE pupil premium pupils throughout the year.
  - ◇ Secondary pupils participating in the TKAT ACE programme saw a larger increase in their English scores compared to non-ACE pupils and non-ACE pupil premium pupils throughout the year.
- ◆ The project had a particularly significant impact on pupil premium SEND pupils who had an ACE Tutor
- ◆ Pupil premium pupils who did not have an ACE Tutor performed less well than non pupil premium pupils and significantly less well than ACE Pupils
- ◆ Against the wider measures (such as motivation and self-efficacy) overall TKAT pupils are below national, but those with an ACE Tutor moved to above national.

One of the striking features of TKAT ACE in 2021/2022 has been the increase in the national interest in the project. This has included a number of articles in national journals including *The Primary Headteacher*, *SEEd* (the voice for Secondary Education), and a presentation at a national conference. Probably the most significant accolade was recognition by Dame Rachel de Souza, the Children's Commissioner for England. We also appointed a dedicated TKAT ACE Publicity Officer which is raising the profile of TKAT ACE in the Trust and beyond.

Looking to 2022/2023 we will focus on further increasing the number of PP pupils who are part of the programme and continuing to improve the quality of what we deliver as we learn more about what works.

***TKAT Meta Curriculum Project***

The purpose of the Meta Curriculum Project is to develop a research led approach to curriculum design where staff across the Trust use a common language allowing them to speak about their curriculum with authority. Also, the focus is on a precise articulation of knowledge which will support improved pupil outcomes.

In 2020/2021 the focus was on research to deepen our own understanding of knowledge based curriculum design and involved pioneering work by Rainham School for Girls, Orchards Academy and Portfield Primary Academy. The focus for 2021/2022 has been on broadening understanding across the Trust with a focus on Core Knowledge (knowing what). This has been achieved through presentations to Headteachers, Lead Practitioners and School Centred Initial Teacher Training (SCITT). Secondary Strategy Leads have started the process of defining common procedural knowledge (knowing how). A team of Primary Senior Leaders have outlined the core knowledge for the Science curriculum.



**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

***TKAT Meta Curriculum Project (continued)***

The focus for 2022/2023 will be to check the level of understanding (do all teachers understand what core knowledge is?). Reviews have indicated good levels of understanding, but this needs to be comprehensive. The focus will also be on ensuring that this knowledge is applied, with the creation of knowledge organisers as a key indicator. Again there is some very good practice but it is not yet consistent.

***Primary academies***

Our highlights of the year were the outcomes of SATs and phonics. We achieved well in both measures and saw it as a key marker for how far we have come collectively and a recognition of the hard work we have achieved as a TKAT family.

Our academies produced an average of 85% of Year 1 children passing their phonics check, above the national average of 75% in 2022 and our best ever phonics outcome.

In Year 6 SATs the Academies achieved an average of 64% in the combined score of Reading, Writing and Maths achieving the expected standard. This is an improvement on 2019 and improves on the National score which stood at 59% for this year. The number of schools achieving above national results also increased this year. The largest improvement was in reading which jumped 4% on 2019 results.

The Primary Academy Central team has expanded over the year to provide support for new and experienced heads and in developing our core strategy through refinement and more targeted support.

The year started with the return of all academies still under the influence of COVID and its effects on the children's education. All academies undertook an additional testing period on return in September in order to effectively identify gaps in the core subjects of reading, maths and writing. This helped give us an understanding of the effects of summer learning loss and the impact on the past academic year on children's retention of information core to their progress and understanding.

As a Trust we continued to implement and refine our maths offer with 24 schools using Mathematics Mastery and a further two schools joining our collaborative work with Accelerated Reader. The return of face-to-face training enabled us to get teachers and leaders together and to enjoy the incidence of 'corridor conversations' that so often led to fruitful discussions.

Our strategy has been to engage with professionals outside of TKAT to help maintain an outward facing, objective view, whilst developing our expertise through our lead practitioners and leads of subjects. We continued to develop our leads of subjects through online and in person meetings.

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

***Primary academies (continued)***

Our reading offer has been enhanced through more strategic work with the data that Accelerated Reader has offered, enabling us to target schools, year groups and classes in order to ensure that reading retained its priority status in every classroom. The work that reading leads put in over the year has been reflected in the catch up and results gained.

As a Trust we further developed our phonics provision, two additional schools moved over to using Read Write Inc to deliver their phonics. Our lead practitioner worked closely with Directors and the Senior Primary Director to identify academies that needed further support and staff training. This process continued throughout the year as we monitored and tracked children's early reading on a regular basis.

Shenstone, one of our Special Schools, celebrated their first child passing the phonics check after implementing a bespoke version of phonics they have developed after input with our lead practitioner.

For the development of the wider curriculum we brought our leads of subjects together and delivered conferences on computing, geography and subject leadership among others. Our leaders in all academies continue to collaborate and build expertise, use their knowledge and curiosity to share and question and improve each curriculum offer.

We delivered our first whole TKAT staff meeting remotely through a recorded webinar and took the opportunity to discuss 'knowledge' and its place at the heart of curriculum design. The work on curriculum design is, of course, never ending and we successfully launched our curriculum review for each academy to enable leaders to make a moderated and informed decision on curriculum priorities. This led onto a successful heads conference where leaders started work on their Improvement Plan in discussion with both their own leadership team whilst offering a chance to discuss and learn from each other in a highly successful collaborative conference.

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

***Secondary academies (continued)***

We began the start to the academic year with the return to 'normal' schooling after the disruption of the pandemic. Whilst schools continued to be impacted by Covid (largely throughout the autumn term and winter months), schools continued their improvement drives and prepared their Year 11 and 13 students for exams in the summer. We supported this at Trust level through our Secondary Improvement Plan, which focussed on the following key elements:

- ◆ Development of the curriculum: We aimed to further standardise our curriculum across Key Stages 3 and 4 so that we could develop collaboration between schools as a vehicle for support. It also meant that as Lead Practitioners moved between schools to support, there was a common curriculum language between the Trust, school leaders and teachers. As a result we were able to support schools in identifying learning gaps caused by the pandemic and help them tailor their teaching and curriculum to close these gaps. We had also identified that reading was the key to recovering lost learning and launched a number of pilots to investigate the most effective ways to accelerate reading ages through intervention and whole school provision. The most successful of these approaches resulted in students improving their reading ages by eleven months on average over an eight week period. As a result, all schools have now been trained in whole school reading development and this initiative is a key focus for the current academic year.
- ◆ Supporting teaching and learning: Our Lead Practitioner programme was bolstered with the addition of additional Lead Practitioners in all EBacc subjects (English, maths, science, humanities and languages) last academic year. As a result, the number of good or better teachers increased and the expertise within departments is developing. Through this programme, Lead Practitioners work 1:1 with teachers or heads of department to develop their teaching, curriculum and leadership skills over a six-week period using our accredited coaching programme. GCSE outcomes show that where Lead Practitioners have supported schools we are seeing our greatest improvements in academic attainment.
- ◆ Developing Sixth Form provision: Last year we created the capacity to support Sixth Form development with a dedicated Sixth Form Strategy Lead. Their work focused on securing destinations, sharing good practice across Sixth Forms, developing commonalities to build a self-sustaining model and ensuring accountability measures are as robust as they are at Key Stage 4. There is a developing congruence in the Sixth Form provision, academic grades have risen, and this will continue to be a key focus this academic year.

There have been six Ofsted inspections of our secondary schools over the last academic year, both graded (Section 5) and ungraded (Section 8 monitoring visits). Our current Ofsted rating profile for secondary schools is 57% Good or better, with another 14% expected to move to Good in their next inspection which should be scheduled for this year. One school moved to Serious Weaknesses and the Trust is supporting them to move out of category.

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

***Secondary academies (continued)***

Overall, increasing the number of Good or better schools at secondary is a key priority. Ofsted outcomes for the 2021/2022 year:

<b>School</b>	<b>Previous Grade</b>	<b>Type of Inspection</b>	<b>Current Grade</b>
Cleeve Park	Requires Improvement	Section 5	Requires Improvement
Kemnal	Inadequate	Section 8	Adequate progress
Welling	Requires Improvement	Section 5	Inadequate - serious weaknesses
Kemnal	Inadequate	Section 5	Requires Improvement
Rainham	Good	Section 8	Maintained Good
King Harold	Good	Section 8	Maintained Good

Public examinations at both Key Stage 4 and Key Stage 5 took place this year for the first time since 2019, due to the pandemic. Our key measures as a Trust at GCSE are attainment percentages for those students who have passed both English and Maths at grades 9-4. In comparison to 2019, the overall Trust average increased by 2% to 53%, with some schools making significant progress. Of those schools who made sizeable improvements in their attainment, of particular note are Cleeve Park who improved their 9-4 attainment by 22 percentage points and King Harold Academy who improved by 14 percentage points.

In English and Maths separately, we improved our 9-4 grades by 7% and 1% respectively. Across the Trust, further improvements are needed to the percentages of students achieving 9-4 and we have invested significant resource to support schools to achieve this.

Pupil Premium data show that, whilst the national attainment gap between disadvantaged and non-disadvantaged has widened, the gap in TKAT is narrowing and is smaller than the national picture in all key attainment measures.

At Key Stage 5, the A Level average grades are higher across the Trust - up from a C- to a C average - and the average vocational grade is a Merit plus, which matches 2019. All seven Trust schools Sixth Forms have demonstrated an improvement in their Key Stage 5 overall outcomes.

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

***Learning Development Network (including TKAT SCITT)***

*Personal Learning and Development*

Last academic year saw the introduction of the newly reformed National Professional Qualifications (NPQs) with 121 members of staff taking part in the various qualifications ranging from NPQH (Headship), NPQSL (senior leadership), NQLBC (Leading Behaviour & Culture), NPQLT (Leading Teaching) and NPQLTD (Leading Teacher Development).

These qualifications are delivered in partnership with the Teacher Development Trust (TDT) and have had a highly successful first year being recognised as one of their highest performing delivery partners with a 97.5% retention rate, 100% participant satisfaction rate and a 98.5% achievement rate after milestone 1.

The Learning Development Network has continued to deliver 2 cohorts of the EMCC accredited Principles of Coaching Programme with 14 leaders from across the Trust successfully completing the programme and will now be formally assessed for accreditation as foundation level coaches. This will continue to strengthen the coaching culture across the Trust. Moving into next year there is a waiting list for the next cohort which is hoped to run in the Autumn Term.

The core offer of Professional Learning and Development has continued with the hosting of a range of professional learning and development opportunities and Trust wide conferences including the highly successful Women in Leadership Conference which saw 95 female leaders come together to be inspired and motivated. Following this conference the network has continued to develop with regular virtual seminars throughout the year. As a result of this work around 40 women have taken up the offer of coaching and over 20 were promoted into a more senior role.

Other events have included a range of subject curriculum conferences such as the Geography conference with support from the Geographical Association, the annual reading conference and an inspiring Early Years conference. Direct work has also continued with individual schools and their senior and middle leadership teams, developing the RISE incremental coaching model supporting the improvement of the quality of teaching.

The LDN has continued to support the TKAT ACE programme delivering training to 95 new ACE tutors and in partnership with INTRAC Training have trained 35 ACE leads and senior leaders to be able to deliver group supervision to support ACE tutors in their role.

Over the coming year, the aim is to further widen the facilitation of personal learning and development opportunities for the whole TKAT workforce, with the LDN being the 'go to' place. To support this there will be a centralised calendar that advertises all training opportunities, and a new website that highlights training for each job position in the Trust along with the signposting of career pathways and training to support such moves.

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

***TKAT (SCITT)***

The last year was challenging but successful beginning with the demands of learning to live with covid, many staffing changes and rapid deadlines for the DfE.

All 92 trainees (56 Secondary, 36 Primary) have been granted Qualified Teacher Status (QTS). This shows the high quality of provision from the central team, mentors, and the schools that students were placed in.

Going forward, there are 80 trainees (53 Secondary, 27 Primary) for this academic year. This is extremely pleasing taking into account the drop in applications for ITT by 24% nationally.

The overdue Ofsted Inspection was carried out in March 2022 with the SCITT graded as Good overall which is a strong result, considering the backdrop of many previously good and outstanding settings being downgraded and some leaving the market mid-year as a result. The SCITT was particularly praised for its coherent curriculum and wellbeing of trainees.

The development point was around the oversight of subject specific provision for secondary trainees. They saw clear evidence of our subject provision which was excellent in some areas but there was a lack of consistency across some subjects. Work has continued on the subject specific curriculum since the inspection with further training being delivered by Lead Subject Tutors early this academic year.

The bid to be Accredited under the new ITT Framework was three quarters successful with a resubmission of the final section in June. At the end of September we were delighted to receive notice that we had been re-accredited. There are now tight deadlines to develop the revised programme. The DfE has also granted permission for our SCITT to offer the Assessment Only route to QTS from September 2022 and there are plans to offer a part time route to qualification from September 2023. This will provide a further income generator and is in response to requests for this service from both schools and applicants.

The SCITT team has expanded its capacity to support the training and development of Trust staff and respond to the needs of schools as part of the newly created Learning Development Network (LDN).

***Early Career Framework and Teachers***

Last year saw the introduction of the new Early Career Framework (ECF) with newly qualified teachers now referred to as Early Career Teachers (ECTs) starting their 2-year induction period with a structured programme of professional development and weekly coaching from mentors across the Trust.

TKAT have delivered the ECF in partnership with GLF Teaching School Hub to 110 ECTs and 108 have successfully completed Year 1 of the programme with only 2 of our ECTs moving on outside of the Trust. This shows the high quality provision from the central team as well as the ECT school based mentors and all schools involved.

## STRATEGIC REPORT (continued)

### Achievements and performance (continued)

#### *Early Career Framework and Teachers (continued)*

Registration of the new cohort of 94 ECTs for 2022/2023 has been completed which will mean there are over 200 ECTs within the Trust next year, supporting the intention of 'growing our own' future talent in teaching.

#### *Key performance indicators*

The Trust monitors performance against various Key Performance Indicators (KPIs), some of which have been discussed elsewhere in this report. However, the Ofsted grading is considered to be one of the more important KPIs. As of October 2022, 84% of TKAT academies inspected since joining the Trust are identified as either 'Good' or 'Outstanding' compared to only 27% pre-conversion.

#### *Going concern*

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, 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.

#### *Promoting the success of the company*

In line with the Trust's recently launched Strategic Intent Framework, the Trustees and Executive Team always act in a way that seeks to promote the success of the Trust.

**Purpose** – Within our **#oneTKATfamily** of academies, the shared and common belief is that we Achieve More Together to ensure that all pupils regardless of the traditional barriers to success have the opportunities and resources to achieve their academic and career aspirations within a safe, inclusive and ambitious organisation.

**Vision & Ambition** – A community of learners who share the mindset of success and are driven by the prospect of opportunity for all. An environment of aspiration, respect and openness, enabling staff and students to thrive.

TKAT ACE is our Trust-wide strategy which is improving the life chances of our disadvantaged pupils. As part of the programme, every Pupil Premium pupil (over 8,500 in TKAT schools) and their families have regular one-to-one contact with their ACE Tutor, which builds relationships and overcomes barriers. We are now in the third year of the rollout of TKAT ACE and the response from schools and families has been marvellous. The programme has already had significant impact and external publicity, including from:

Their independent evaluation of the programme said, "Our qualitative research across pupils, parents, and TKAT ACE tutors paints an overwhelmingly positive picture of the TKAT ACE programme. The positive impact of the programme was felt not just on pupils' academic progress, but also on their confidence and ability to plan for the future. There is also strong evidence that it reduced pupils' feelings of anxiety and helped to build stronger relationships between school and home."

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

***Promoting the success of the company (continued)***

Building on the success of our ACE strategy, an ambitious new inclusion strategy aims to provide expertise and provision that wraps around our children you are most in need. Supported by a central team of experts, regional teams will work collaboratively to provide a graduated support offer that includes universal, targeted and specialist provision depending on identified needs. By working as teams around the child including the further widening of experts, listening to children's' voices, and with a shared belief that every child can and will succeed with the appropriate support, our aim is ensure every child can achieve their ambitions by removing barriers and leading to successful lives!

The Trust currently has in place the following committees, Audit and Risk, Finance, Education and HR, all of which inform the Board of key issues. All recommendations made at these committees, and subsequently at the Board, are made taking into account the success, promotion, reputation and long-term financial viability of the Trust and its impact on its staff, pupils, parents and the local community.

The Trust is committed to its focus on employee wellbeing and has a new, cross-departmental Staff Mental Health and Wellbeing Strategy in place, focusing on everyday flexibility, staff voice, inclusion, mental health support and workload, underpinned by the DfE Wellbeing Charter.

The Trust has also commissioned the first of an ongoing commitment to staff surveys, from which Trust, phase and school-level action plans will be developed and their impact measured. These outcomes are also shared with the Workforce Inclusion Network (WIN) groups for additional recommendations. We are looking to add to our WIN groups with an additional neurodiversity group this year. The WIN is now entering year two of its three-year plan.

As highlighted in the 'Engagement with Suppliers and Customers' note, the Trust continues to build strong relationships with its supply chain.

The Trust and its individual academies are aware that the relationship with stakeholders, most notably the parents of pupils within the local communities, is key to the Trust's success in delivering good outcomes for students. To ensure strong relationships are built and maintained, regular letters and academy updates are shared with parents via all available mediums to ensure all parents are well informed of local and Trust-wide issues.

Where any potential decisions being made would impact adversely on the local communities, the Trust undertakes local consultations.

As highlighted in the supplier relationship section, the Trust maintains high standards of business conduct with its supply chain, and in addition, maintains strong professional relationships with the DfE, ESFA, local authorities, local maintained schools, other large MATs and local communities. Further evidence of the Trust's approach to business conduct is contained within the annual work undertaken by the external auditors, where in recent years the number of management letter points (MLPs) continues to remain low.



**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

***Promoting the success of the company (continued)***

All Trustees and members of the Executive Team have a shared purpose and vision, with the pupils' safety, educational outcomes and experiences at its core. No Trustee has any pecuniary interests where a financial gain could be made, and this allows for strong, well measured challenges at committee meetings and the Board to be had, with resulting decisions made being clear and transparent and in the best interest of the pupils and staff.

We have benefited from engagement with external bodies and have acknowledge the following external grants:

The Trust has gratefully received a total of £190,000 in external grants from multiple donors throughout the 2021/2022 year. Where applicable, academies across the entire Trust have benefited, including a 4-year grant received from the Ogden Trust, utilised to develop an enriched physics programme across all 45 academies.

Cleeve Meadow School received £40,000 from The Savoy Trust to support the development of a wider curriculum offering, enabling students the opportunity to develop skills in possible work areas and to develop life skills.

**Financial review**

The Trust's principal income comes from the Education and Skills Funding Agency in the form of recurring grants for specific purposes. These grants and the relevant associated expenditure are shown under restricted funds in the Statement of Financial Activities. The master funding agreement between the Trust and the Department for Education requires grant income to be expended for its appropriate purpose, capital or revenue. General Annual Grant (GAG) is the principal revenue grant and is to be used to meet all the routine teaching, administration and maintenance costs incurred by the academies for pupils of school age in that setting. Additional funding for nursery provision and SEN provision where appropriate is provided by the Local Authority and through a separate payment mechanism.

The Trust may also receive a grant of fixed assets in the form of land and buildings, largely from a Local Authority, when an academy converts to the Trust. Additionally, School Capital Funding (SCF) grants are provided by the ESFA for the maintenance and improvement of fixed assets. New assets brought into use in the Trust for the first time, and identifiable improvements to existing fixed assets, are capitalised at fair value or cost with an equivalent sum transferred to the restricted fixed asset fund. Fixed assets, other than freehold land, are depreciated over their expected useful lives and this charge is applied against the restricted fixed asset fund. Salary payments to teachers and support staff comprise the largest recurring expense of the academies and central support function.

The Trust makes contributions to the Teachers' Pension Scheme (TPS) in respect of teaching staff in the academies. The TPS is a contributory scheme to which teachers are automatically enrolled but is not compulsory. Assets and liabilities are not assigned to individual employers. For staff members other than teachers the Trust makes contributions to the respective Local Government Pension Scheme (LGPS) (which are also multi-employer defined benefit schemes). In the LGPS the assets and liabilities held within the scheme are subject to an actuarial valuation on a triennial basis and are attributable to individual employers.

**STRATEGIC REPORT (continued)**

**Financial review (continued)**

The Trust balance sheet contains the net pension scheme deficit in respect of current and former employees. The existence of a deficit does not mean an immediate liability will become payable. The purpose of the actuarial valuations is to determine a contribution rate for the employer that over the long term will match liabilities and assets. The most recent actuarial valuation of LGPS schemes took place with an effective date of 31 March 2019. The LGPS has been the subject of a number of amendments. The most recent change took effect on 1 April 2016 and since that date, members have been accruing benefits under the terms of the LGPS 2016 scheme.

The Trust has an investment policy, to ensure that the investment of any funds surplus to operational needs is tightly controlled and is currently exploring the future use of an investment portal, with the investment of surplus funds commencing from March 2023.

The Trust's total income for the year ended 31 August 2022 amounted to £161,638,000 (2021: £154,122,000). During the year ended 31 August 2022 total expenditure was £177,969,000 (2021: £165,306,000) of which the Trust's expenditure relating to staff costs totalled £129,827,000. This represents 73% against total expenditure (2021: £122,587,000, 74%).

The net expenditure for the year (before actuarial losses on the defined benefit pension scheme) was £16,331,000 (2021: net expenditure of £11,184,000).

Excluding the adjustments on the defined benefit pension scheme and the net expenditure attributed to the restricted fixed asset funds, the operational surplus for the year was £1,923,000 (2021: operational surplus of £2,868,000). This figure includes an increase of £115,000 in respect of ring-fenced donations and other ring-fenced monies for school trips which are not considered to be part of the Trust's usable revenue reserves as discussed below.

The Trust held total fund balances at 31 August 2022 of £258,559,000 (2021: £187,983,000). Excluding the balance represented by the defined benefit pension scheme liability, this comprised of £253,949,000 (2021: £261,230,000) in the restricted fixed assets funds, £3,071,000 (2021: £3,247,000) in the restricted general funds and £11,253,000 (2021: £9,154,000) in designated and unrestricted general funds.

**Reserves policy and financial position**

The Board approved the current reserves policy during the 2021/22 financial year, after taking into consideration the Trust's financial position at that time, its future plans and any potential financial risks for both the individual academies and the overall Trust. The key drivers in setting the required levels of reserves at that time were, to enable Trustees to make informed, strategic decisions more quickly, with positive examples being, the wider funding of ACE Tutors across all academies, and the Trust's ability to allow academies with immediate educational requirements to over recruit key staff members.

**STRATEGIC REPORT (continued)**

**Reserves policy and financial position (continued)**

As at the end of the 2021/2022 financial year the Trust still considered that the minimum combined academy revenue reserves should not fall below the equivalent of 5.0% of the General Annual Grant (GAG) less funding linked to PFI and student support to meet maternity, staff supply, organisational change, adverse unforeseen changes to national funding, economic cost pressures, larger than expected maintenance costs or a significant reduction in pupil numbers. Based on the 2022/2023 GAG allocations, the Trust should hold no less than £6.41m in revenue reserves.

Each academy is required to hold Reserves of a minimum of 7.5% (primary) and 5% (secondary) within their own bank accounts, with a further 2.5% (primary) and 2% (secondary) maximum held in the Central Buffer Reserves (CBR) per academy (all percentages are as % of accessible GAG).

Reserves over the academies levels shown above will be transferred to the Central Strategic Reserves (CSR) account for use for the furtherance of Trust-wide educational objectives.

The minimum Academy Reserves form part of the 5% Trust-wide Reserves and are to cover emergencies. Amounts above the minimum but up to the maximum 10% (primary) and 7% (secondary) are available to the individual academies on request, to allow for any in-year unforeseen one-off costs, strategic in-year expenditure or to assist with a future year budget planning process.

As the financial position for individual academies and the Trust remains fluid, and the reserves policy needs to reflect the changing needs of its academies, the reserves policy is not deemed a static policy and is subject to regular review.

At year end the Trust held revenue reserves of £14,324,000 (2021: £12,401,000) (i.e. the aggregate of restricted general funds and unrestricted general funds). Of the £14,324,000 the Trust considers its usable revenue reserves for budgetary purposes to be £13,470,000 (2021: £11,662,000) which satisfies the Trust's own reserves policy. Usable revenue reserves exclude restricted revenue funds, which are ring-fenced monies typically for school trips and other ring-fenced donations. This is a £1,923,000 increase on last year's usable reserves for budgetary purposes.

Designated funds are those unrestricted revenue funds which Trustees consider for both long term financial planning and use of strategic, Trust-wide spend. During the 2021/2022 year, the Trust implemented a new reserves policy, with the result being, in addition to individual academy retained revenue reserves, the Trust also pools an agreed percentage of excess revenue reserves. In doing so, the Trust is safeguarding a designated fund for the primary purpose of Trust-wide, educational initiatives which align with its overall strategic intent framework.

**STRATEGIC REPORT (continued)**

**Investment policy**

The Treasury and Investment policy was reviewed during the 2020/2021 year and approved by Trustees in September 2021. It now allows for the use of other banks and building societies as long as they meet the agreed minimum required credit ratings from at least two of the three ratings agencies named in the policy and continues to highlight that security of invested funds will always take precedence over revenue maximisation and the Trust will ensure its investments are tightly controlled, and in line the ESFA guidance, when considering an investment the Trustees will have:

- ◆ acted within its powers to invest as set out in its articles
- ◆ exercised care and skill in investment decisions, taking advice as appropriate from a professional adviser
- ◆ ensured that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- ◆ ensured that investment decisions are in the best interests of the Trust
- ◆ reviewed the Trust's investments and investment policy regularly

As a result of the large reductions in deposit interest rates the Trust made no investments in the 2021/2022 financial year, however, as a result of the upturn in interest rates, the existing policy is being reviewed, with the new policy allowing for the potential use of an investment portal to maximise the interest earnings, and make the process of investing surplus funds less of an administrative burden.

The Trust has sought advice to ascertain what future investment options were available, and the Trust will be in a position to commence investing surplus cash in a selection of deposit options ranging from 32-day notice accounts to 12 months fixed terms deposits from January 2023.

The Trust continues to receive and monitor monthly cash flow forecasts from all its academies to establish the levels of deposits or withdrawals that can be made, have overall control and oversight of all bank accounts held, and individual academies no longer have the ability to invest locally as all investments are now made on a Trust-wide basis to maximise the available rates.

**Principal risks and uncertainties**

The Trustees have assessed the principal risks to which the Trust is exposed, in particular, those related to the charitable operations, principal activities and also finances of the Trust, and are satisfied that systems and procedures are in place to mitigate its exposure to major risks. The Board has in place separate Audit & Risk, Finance, Educational and HR Committees to champion the identification and management of significant financial and compliance risks faced by the organisation, with the terms of reference from the Board providing the appropriate delegated powers to the committees allowing them to fulfil their responsibilities. Matters of significance at individual academies are escalated through appropriate procedures to these Committees, and when required up to the Board for consideration.

**STRATEGIC REPORT (continued)**

**Principal risks and uncertainties (continued)**

When reviewing reserves levels and future budget planning exercises, the Trustees take into account both the internal risk factors highlighted below from within the risk register, and the wider national, and worldwide factors, most notably in 2021/2022 the war in Ukraine, the energy crisis, higher than expected pay award levels, and the general cost of living increases.

We continued to use the Trust's Strategic Risk Register, regular discussions with the leadership team and senior responsible officers, and challenge and support from Trustees via the Audit and Risk Committee to focus upon the key areas that pose the largest risks and uncertainties. We also used twice termly School Update Meetings (SUM) to focus on the highest level educational, financial and operational risks for individual schools, which then fed into our strategic risk discussions for the Trust.

The key risks faced are outlined below:

- ◆ Ongoing impact of the COVID pandemic impacts severely on our ability as a Trust and as schools to ensure all pupils are safe and can be successful.
- ◆ Quality of teaching does not improve provision and outcomes in TKAT schools.
- ◆ Quality of leadership is not having sufficient impact on short term and long term goals.
- ◆ Avoidable safeguarding incidents occur.
- ◆ Outcomes and life chances of TKAT Pupil Premium pupils do not improve.
- ◆ ICT strategy does not support Trust, regional and school objectives.
- ◆ Not all staff are engaged in supporting and delivering Trust and school level priorities and targets.

Along with the existing controls and strategies in place to mitigate the risks and reduce both likelihood and impact, the Trustees and Senior Leadership Team added additional mitigating actions for the 2021/2022 academic year as required.

In addition to the annual focus on compliance to include, Safeguarding, Health and Safety, Financial, Data Protection and Employment, the impact of COVID in relation to the pupils' educational outcomes and the financial sustainability of the Trust remained throughout the year on the register as a risk to achieving our goals. We maintained our strengthened academy outturn forecast procedures to clearly identify the impact of additional COVID costs to allow interventions to be made quickly. In relation to pupil outcomes, additional investment and intervention strategies were put into place to narrow the gap for Pupil Premium pupils, ensure Catch Up funding was targeted to achieve the best outcomes for pupils, and give all pupils the support they needed.

**STRATEGIC REPORT (continued)**

**Principal risks and uncertainties (continued)**

Our summary overview of risks for 2021/2022 demonstrated that by the end of the year the Board's risk assessment for 8 out of 9 risks had improved and one had stayed the same. This was consistent with the improvement in the metrics we use to assess and monitor risk. These included our best ever Phonics and Year 6 results; improvements in our Trust's GCSE and A level results; narrowing for disadvantaged pupils of attainment gaps, which are now better than the national picture; some excellent Ofsted inspections; and further improvements in our schools' forecasting and budgeting. As we started to look to 2022/2023, we felt that this progress may allow us to remove some of our highest level risks.

**Fundraising**

Under the provisions of the Charities (Protection and Social Investment) Act 2016, the Trust confirms the following:

- ◆ The Trustees acknowledge Charity Commission guidance CC20 and have adopted the six principles within the Trust's fundraising approach. Fundraising efforts are carried out at local academy level and suitable oversight is maintained by the academy Senior Leadership Team.
- ◆ Fundraising efforts are predominantly led for either the benefit of the individual academy within the Trust, or a designated charity for whom the academy is raising charitable donations.
- ◆ Typical fundraising activities include non-uniform days, pupil led initiatives and seasonal fun days.
- ◆ Fundraising is led by some or all of the following parties associated with the academy; pupils, teachers, parents and/or the parent-teacher association.

Throughout the year ended 31 August 2022, one of the Trust's academies engaged with professional fundraisers to raise funds on behalf of the academy.

The Trustees acknowledge their responsibility to protect the public, including vulnerable people, from unreasonable, intrusive or persistent fundraising approaches.

There were no fundraising complaints received throughout the year ended 31 August 2022.

## STRATEGIC REPORT (continued)

### Streamlined Energy and Carbon Reporting

As per the requirements of sections 465 and 466 of the Companies Act 2006, the Trust has published its UK energy use as follows:

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kWh)	28,240,177	30,602,695
Energy consumption breakdown (kWh) <ul style="list-style-type: none"> <li>Gas</li> <li>Electricity</li> </ul>	20,069,234 8,170,943	22,475,045 8,127,650
Scope 1 emissions in metric tonnes CO <sub>2</sub> e		
Gas consumption	3,663	5,194
Owned transport – mini-buses	17.48	4.55
Total scope 1	3,680	5,199
Scope 2 emissions in metric tonnes CO <sub>2</sub> e		
Purchased electricity	1,580	1,886
Scope 3 emissions in metric tonnes CO <sub>2</sub> e		
Business travel in employee owned vehicles	57.37	27.74
Total gross emissions in metric tonnes CO <sub>2</sub> e	5,317	7,113
Intensity ratio		
Tonnes CO <sub>2</sub> e per pupil	0.23	0.31

### Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

### Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

The Trust continues to successfully secure its electricity solely from zero carbon, 100% renewable sources.

## **STRATEGIC REPORT (continued)**

### **Streamlined Energy and Carbon Reporting (continued)**

#### ***Measures taken to improve energy efficiency (continued)***

All academies are aware of the responsibility to reduce their carbon footprint, with many getting students involved in recycling and other carbon reducing initiatives on site. Other key decarbonising measures being introduced include: a reduction in the use of plastic; encouraging more walking and cycling to school; better purchasing decisions linked to greener alternatives; and at a more strategic Trust-wide level, where possible the estates team are linking the use of capital resources to schemes that will ensure the assets are more sustainable, most notably an increase in LED lighting, solar power and the replacement of old inefficient heating systems and failing windows.

Design considerations are to be made within all capital expenditure works to ensure that the environmental returns can be assessed to maximise the revenue gain back to the Trust. Where works can be grouped to ensure efficiency these will be undertaken. All academies have smart meters in place and are beginning to make site specific decisions based on the data received.

The Trust has recently recruited a Head of Health, Safety and Environment, with one of the key areas of responsibility being, to develop and embed a sustainability strategy across the whole Trust.

Data on energy consumption at each academy has been sourced, and will be analysed to identify outlier facilities in order to determine best practices and to establish higher priority intervention needs to feed into the Estates programme of works prioritisation. Other initial investigations include waste-stream management opportunities and school vehicle provision.

The DfE has recently announced that additional CO2 monitors are to be made available to academies to assist with managing the balance between effective ventilation and keeping classrooms warm enough over the winter months.

## **PLANS FOR FUTURE PERIODS**

### **Primary Academies**

Looking forward to 2022/2023, the key areas of work across TKAT primary schools are:

- ◆ **Curriculum development**, continuing work around reading provision, improving collaboration across subjects and embedding our metacurriculum project.
- ◆ **Embedding TKAT ACE (A Champion for Every Child)**, so that by the end of the academic year every Pupil Premium child has an individual ACE Tutor to provide weekly support for their educational and social needs.
- ◆ **Supporting further development of teaching and learning**, so that teaching profiles increase across the Trust and schools are more self-sustainable in their coaching of teachers.
- ◆ **Ofsted** - our aim is for Maldon to come out of category and the proportion of good or better schools to increase.



## **PLANS FOR FUTURE PERIODS (continued)**

### **Secondary Academies**

Looking forward to 2022/2023, the key areas of work across TKAT secondary schools are:

- ◆ **Curriculum development**, particularly around reading provision, improving mathematics, embedding our metacurriculum project and our standardised approach to assessment.
- ◆ **Embedding TKAT ACE (A Champion for Every Child)**, so that by the end of the academic year every Pupil Premium child has an individual ACE Tutor to provide weekly support for their educational and social needs.
- ◆ **Supporting further development of teaching and learning**, so that teaching profiles increase across the Trust and schools are more self-sustainable in their coaching of teachers.
- ◆ **Developing our Sixth Form offer**, so that there is more commonality across schools and students are better placed to access the destinations that are right for them in the next stage of their lives.
- ◆ **Ofsted** - our aim is for Welling to come out of category and the proportion of good or better schools to increase.

### **TKAT Learning Development Network (LDN)**

Looking forward to 2022/2023, the key areas of work across the Learning Development Network are:

- ◆ **Integration of the LDN within the Trust**, bringing the 3 strands of Personal Learning (including culture), Initial Teacher Training, and the Early Career Framework into an effective and cohesive Trust wide provision that is known and valued.
- ◆ **Recruitment**, securing the TKAT SCITT through new accreditation, ensuring a high quality 3 year programme transitioning from the SCITT to the ECF for new teachers, and working collaboratively with HR to attract more experienced teachers, leaders and support staff, aiming to be an Employer of Choice.
- ◆ **Staff Development**, with the rapid production of an online platform that signposts opportunities for personal development for every role across the Trust, and facilitating high quality online, internal, and external training.
- ◆ **Staff Retention**, through the high quality staff development opportunities, working alongside schools and central services to ensure staff wellbeing remains at the forefront of any approach, and providing, within the online platform, pathways to other positions across the Trust and training that enables access to such positions.

### **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Trust receives 16-19 bursary payments and SCITT bursary payments from the ESFA. The Trust does not recognise this income as its own income and pays out all monies received for its primary purpose to the relevant parties.

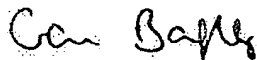
**Trustees' report (incorporating a strategic report) 31 August 2022**

**AUDITOR**

Insofar as the Trustees are aware:

- ♦ there is no relevant audit information of which the charitable company's auditor is unaware;
- ♦ 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 auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees and signed on the Board's behalf by:



Gaenor Bagley  
Chair of Trustees

**Date:** 14 December 2022

## Governance statement 31 August 2022

### Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreements between The Kemnal Academies Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met as a Board six times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Claire Robins OBE	6	6
Elaine Thomas	5	6
Gaenor Bagley, <i>Chair</i>	6	6
John Harrison	5	6
Dr Karen Roberts, <i>CEO</i>	6	6
Mark Swyny	6	6
Peter Baines	6	6
Simon Judge	6	6

In addition to this, the Board met regularly for informal catch ups between meetings. Board meetings were used in addition to utilising both the Audit and Risk, and Finance Committees, to provide assurance that effective financial oversight of the Trust was maintained during the 2021/2022 year.

## **Governance statement 31 August 2022**

### **Governance (continued)**

The majority of meetings have returned to face to face, although there is a hybrid approach with some committee meetings and catch-ups remaining online, the full board meetings usually taking place in person.

There have been no changes to the composition of the Board since October 2020, with the three new Trustees appointed in October 2020 embedding themselves into the Board and taking the opportunity to attend face to face meetings and visit schools once the pandemic restrictions were lifted.

### **Managing conflicts of interest**

Along with all Key Personnel, Trustees make an annual declaration about their interests in businesses or other charities, and this is carefully reviewed by the finance team. Any business interests that involve key personnel are highlighted to all those involved in procurement work, so that notification is made to the ESFA, and where necessary, permission sought before any transaction is made. There is an item on every agenda to highlight any potential conflicts of interest relating to the agenda, and also for Trustees to declare any new interests. This approach is replicated within Local Governing Bodies.

The format and content of information provided to the Board is continually under review to ensure that it is both relevant and easy to understand. There has been a particular focus on the way data is being presented to the Committees with developments being made to ensure information is appropriate, concise and easy to understand. The Trustees remain satisfied that they are getting the information they need in a timely and appropriate manner.

### **Governance review**

As one of the largest Multi-Academy Trusts in the UK, TKAT recognises the need for strong governance at all levels within the organisation. At a corporate level, the Trust regularly reviews the skills of the Board and works to ensure that there is sufficient knowledge and experience to ensure standards are maintained and improved in both the educational and corporate areas.

The Committee structure was reviewed as part of the annual process. Trustees continue to enhance their skills and knowledge and the terms of reference of each Committee are updated as needed. The Trustees are confident there is an appropriate sharing of responsibilities and knowledge.

All Trustees are allocated to a region, and throughout the year visit the schools in the region and meet with the Director of Education. This enables them to get to know their schools and understand the context when making strategic decisions in meetings. Trustees also attend regional meetings with the chairs of governors to ensure communication flow to and from the Board. There have also been presentations to Board meetings from either regions or individual schools, so Trustees have greater insight into their schools.

**Governance review (continued)**

An external MAT review was conducted in 2019/2020, and an interim review to assess impact since the initial review in date was then conducted in February 2021. The actions following this interim review are continuing to be embedded to ensure maximum impact, and the Trustees have a development plan to ensure their skills and knowledge remain up to date. The updated Scheme of Delegation implemented for September 2021 has embedded well, and Governors have undertaken a significant amount of training on various aspects of their role. There has also been a focus on continuing to improve communication and improving the links between Trustees and Chairs of LGBs, following the interim review. Communication with Heads was already noted as strong and this is being further extended to include leadership teams within each school.

In addition to the MAT review, Trustees also commissioned a Board Effectiveness Review in September 2021. This involved meeting with Trustees and the Executive, observing meetings and reviewing documentation. The focus was on the effectiveness of working relationships, the effectiveness of the Board's oversight and whether the focus of meetings was appropriate to the strategic challenges faced by the Trust. This was a positive report with a small number of recommendations which Trustees and the Executive have been using to further enhance their effectiveness.

The Board has built on this with the Senior Leadership Team on leadership styles and working together to improve their effectiveness. There has also been a focus on reviewing the Trust vision, values and strategic intent, both at Board level and with school leaders. This has informed the development of a new strategic intent framework for 2022-2025 which was launched in September 2022.

In addition to the above, the Board has continued to undertake informal reviews of skills and composition throughout the year, whilst actively succession planning and identifying any skills gaps.

The work of the committees is considered at each Board meeting, giving Trustees the opportunity to evaluate the impact of and actions taken by the committees.

**Committees**

***Audit and Risk Committee***

The Audit and Risk Committee is a committee of the main Board of Trustees. Its purpose is to support the Board in the discharge of its responsibilities for financial systems, operational controls, governance and risk, including health and safety, at TKAT and all its academies.

Mark Swyny has been Chair of the committee during the 2021/2022 year. Membership was Mark Swyny, Gaenor Bagley, Peter Baines and Simon Judge. John Harrison was part of the committee at the start of the year but stepped down in Spring 2022. Karen Roberts attends the meeting to report to Trustees as the Accounting Officer. The Audit and Risk Committee met four times during 2021/2022.

**Committees (continued)**

***Audit and Risk Committee (continued)***

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Gaenor Bagley	4	4
John Harrison	2	2
Mark Swyny, <i>Chair of Committee</i>	4	4
Peter Baines	4	4
Simon Judge	4	4

***Finance Committee***

The Finance Committee is a committee of the main Board of Trustees. Its purpose is to support the Board in the discharge of its responsibilities for financial scrutiny and oversight. Peter Baines is the Chair of the Finance committee, and was joined by Gaenor Bagley (until March 22), Mark Swyny, Claire Robins and Karen Roberts. The finance committee met five times during 2021/2022.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Claire Robins OBE	4	5
Gaenor Bagley	4	4
Karen Roberts	5	5
Peter Baines, <i>Chair of Committee</i>	5	5
Mark Swyny	5	5

***HR Committee***

The HR Committee is chaired by Elaine Thomas, who is joined by Gaenor Bagley and Simon Judge. The HR committee is responsible for ensuring the highest standards of corporate governance in the remuneration and succession planning of the Chief Executive (CEO) and Senior Managers of TKAT, and oversees the Trust's people, inclusion and culture strategies. The HR Committee met five times during 2021/2022. Karen Roberts attends the meetings for all except pay decisions relating to herself.

## Governance statement 31 August 2022

### Committees (continued)

#### *HR Committee (continued)*

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Elaine Thomas, <i>Chair of Committee</i>	5	5
Gaenor Bagley	5	5
Simon Judge	5	5

#### *Education Committee*

The Education Committee is chaired by John Harrison, with Gaenor Bagley, Peter Baines, Elaine Thomas, Claire Robins and Karen Roberts on the committee. It supports the Trust in the discharge of its responsibilities to provide a high standard of education and duty of care to every student in its academies. The Education Committee met three times during 2021/2022.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Claire Robins OBE	3	3
Elaine Thomas	3	3
John Harrison, <i>Chair of Committee</i>	3	3
Dr Karen Roberts	3	3
Peter Baines	3	3

#### **Review of Value for Money**

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

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year as a result of the areas outlined below:

**Review of Value for Money (continued)**

***Procurement***

The Trust continues to seek and deliver efficiencies through working with its suppliers, and the rationalisation of its supply chain, with both the Trust and individual academies seeing the financial benefits in the 2021/2022 financial year. These benefits will increase further into 2022/2023 as the Trust have added additional staffing resources to include a purchasing officer to enable a greater number of projects and contracts to be procured, and to allow for greater levels of scrutiny and challenge relating to purchasing decisions.

Through the work of the Procurement team over recent years there is now a much greater level of engagement and partnership working with key stakeholders both internal and external to the Trust and with key strategic suppliers. Further enabling staff within the academies to focus on managing local issues in the delivery of a quality education service.

As a result of the extraordinary rise in energy costs and linked to the Trust's two-year energy deal due to expire at the end of September 2022. A full audit of spending on utilities took place during the year, and although it was clear that the increases in costs would be unavoidable and significant, to help mitigate some of the costs, Trustees and SLT met with the Trusts Third Party Intermediary (TPI), to discuss the purchasing models available to ensure best value, and security against the continued volatility in the market. The Trust has secured its energy rates for October 2022 - September 2024.

The Procurement & Contracts team continue to deliver the Procurement Strategy with one of the key themes being to reduce the number of suppliers the Trust works with. A new Approved Supplier List (ASL) went live on 1 September 2022, which enabled us to reduce the number of suppliers from c7,500 to c1,800.

To give the Board better visibility of strategic procurement activity, and the key issues to be addressed a business case approach has been introduced to support this activity and to make the decision-making process more efficient.

An annual procurement pipeline has been introduced which includes category of spend identified in the Procurement Strategy for 2022/2023.

***Other Key Areas***

The sharing of key staff between academies, most notably Lead Practitioners, Strategy Leads and Business Managers, continues to increase, with the financial and educational benefits clearly visible. To further strengthen the benefits of this approach, and to ensure the effective and efficient use of resources, the trust is moving towards a regional model for the delivery of all corporate services commencing in 2022/2023. In delivering against our key aim, we continued to focus on providing the highest quality and bespoke leadership and teaching school-to-school support to allow each academy to move into their next phase of development. In utilising a combination of high quality central and school-based resources a culture of sharing best practice is being achieved, without the requirement for such a large volume of external consultancy. This has assisted with a reduction in staff turnover and created opportunities for future leaders, both leading to expenditure reductions.



**Review of Value for Money (continued)**

***Other Key Areas (continued)***

The Trust continues to extensively review and monitor its individual academies' cashflow forecasts, along with the overall financial strength of the Trust. With the changes to the reserves policy now fully embedded and most notably the creation of a Central Strategic Reserve (CSR), individuals and/or groups of academies are supported to overcome short, medium or even longer term financial and/or educational challenges.

The School Based Initial Teacher Training (SCITT) provision continues to be successful, the key benefit being the steady annual flow of new teachers into the academies which are 'home grown' and trained to a high standard (as ratified by OFSTED in March 2022). The programme is responding to the changing world and has developed its capacity to offer more flexible routes to train whilst ensuring that this offers good value for money for the Trust. Significant savings have been made on the cost of recruitment and also the high costs of supply cover for hard to place teaching subjects. Added to that, new and existing staff have access to an increased range of in-house educational and corporate services training courses and, where capacity permits, these courses are also being marketed to non-TKAT schools. The benefits of this provision have been that it has reduced the reliance on costly external providers and also generated external income for the Trust as well as raising the Trust's profile.

The LDN (Learning Development Network) continues to offer high quality professional development utilising both internal and external expertise. Through the income generated from delivering the ECF (early Career Framework) and the NPQs (National Professional Qualifications) we are able to offer the majority of opportunities to our academies at no additional cost. Through the apprenticeship levy we are also able to offer additional career pathways to a range of staff including support staff and non-educational staff.

All settlement and exit payments are reviewed and authorised by the Deputy CEO, Director of Finance and Operations and HR Director to ensure value for money has been achieved. Additionally, proposed bad debt write offs are reviewed and approved by the Head of Finance to ensure that value for money is also achieved in this area.

The Trust currently benefits from c.£4.4m of School Conditions funding to enhance and maintain its academy facilities. Being such a significant area of spend, the Procurement and Estates teams have consolidated the suppliers who support the maintenance of the Trust's Sites and Buildings by the establishment of an Asset Management Framework Agreement, that has 43 approved suppliers across 12 Lots that range from Property Consultants to Building Contractors, Electrical and Mechanical Contractors, Roofing Contractors, Fire Alarm and Security, Fencing and Gates, Windows and Doors. This should not only achieve better value for money over the summer delivery period, but also provide a valuable resource throughout the whole academic year to assist academies with their estates management and planning.

**Review of Value for Money (continued)**

***Other Key Areas (continued)***

As part of the Trust's 3-year budget planning process, all academies completed a curriculum financial planning exercise, and the Trust continues to utilise other academy benchmarking information, and has agreed to a SRMA (Schools Resource Management Advisor) deployment during the 2022/2023 academic year, all of which highlights the Trust's continued drive and commitment to ensure Value for Money for the benefit of its pupils and best use of public funds.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Kemnal Academies Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The Risk and Control Framework**

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- ◆ regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

## Governance statement 31 August 2022

### The Risk and Control Framework (continued)

The Board of Trustees has considered the need for a specific internal audit function and has engaged Crowe UK as its internal auditor for the purpose of reviewing both financial and operational systems of internal controls. Safer Activities for Everyone cic (SAFE CIC) were also appointed during the year ended to 31 August 2022 to conduct safeguarding audits across the Trust.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- ◆ A robust internal audit programme agreed in advance by the Trust's Audit and Risk Committee on both financial and operational controls including sample-based testing.
- ◆ An exhaustive walk-through review of Health & Safety procedures across a number of academies within the Trust, reviewing both statutory requirements and internal controls. This remains an ongoing audit review with academies not tested during the 2021/2022 year, due to be tested during the 2022/2023 year.
- ◆ Safeguarding audits at a number of academies within the Trust were undertaken during the year, focusing on, but not limited to, the safeguarding policy currently implemented, safer recruitment processes including the single central register, safeguarding training and the roles of leadership and management. This remains an ongoing audit programme with academies not tested during the 2021/2022 year, due to be tested during the 2022/2023 year.
- ◆ A rigorous audit report review process to ensure a consistent approach when issuing academies with recommendations.
- ◆ An established follow up programme whereby each academy is contacted following their internal audit to offer an opportunity to discuss all findings and recommendations made.
- ◆ Continued development of new internal training guides and aids following on from the identification of consistent weaknesses highlighted as part of the internal audit programme.

During the 2021/2022 year, the Trust expanded its internal audit programme to include a number of non-financial related areas. Additional areas subject to internal scrutiny included:

- ◆ **GDPR** testing to ensure that data protection compliance measures were appropriate and adhered to in line with the trust's Information Governance Framework and the Data Protection Regulations.
- ◆ **Business continuity** testing to ensure that the trust has adequate plans in place to ensure business continuity in the event of any disruption, and that these plans are reviewed regularly to ensure they reflect current circumstances and anticipated risks.

**The Risk and Control Framework (continued)**

- ♦ IT testing to ensure that TKAT google workspace, email protocols and Information Security Encryption policy are adhered to, as well as appropriate website governance declarations being made.

The expanded scope of testing was well received by the Trust's appointed internal auditor with them agreeing that the programme was deliberately ambitious by looking beyond the typical core areas and instead focusing on more challenging areas of risk. The Trust plans to build on this further during the 2022/2023 year ensuring that the programme of internal scrutiny continues to challenge and align to the trust's overall risk register.

On a termly basis, Crowe UK and the Trust's Designated Safeguarding Lead, reports to the Board of Trustees on finance, health & safety and safeguarding matters respectively, via the audit and risk committee, on the operation of the systems of control and on the discharge of the board of trustees' financial and other responsibilities. Representatives from Crowe UK attend all of the Trust's formal Audit and Risk Committee meetings ensuring that Trustees have the appropriate opportunity to scrutinise and ask further questions directly where necessary.

Throughout the year, the internal auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. Any recurring weaknesses within internal controls are appropriately assessed and responsive action plans and/or academy one to one support structures are implemented to mitigate against any further risks.

During the 2021/2022 year, an allegation was raised regarding Miltoncross Academy in Portsmouth, that a member of staff had falsified expected income and the relevant associated documentation, which had potentially resulted in financial misstatement on behalf of the Academy and Trust. Following extensive internal and external investigations, the conclusion resulted in the appropriate notification being made to the ESFA in line with the Academy Trust Handbook. The Trust has considered its internal financial controls and judged that they remain robust and secure against further possible infringements of a similar nature. As part of any subsequent lessons learned evaluations, the Trust have determined that financial controls and procedures remain rigorous and fit for purpose. The resultant adjustment required to the financial statements has been included in the 2021/2022 financial year and sits below the materiality threshold for the Trust as a whole from a financial statements perspective.

During the year 1 September 2021 to 31 August 2022 there were no material control issues identified through the internal audit programme.

**Review of Effectiveness**

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- ♦ the work of the internal auditors;
- ♦ the work of the external auditor;

## Governance statement 31 August 2022

### Review of Effectiveness (continued)

- ♦ the financial management and governance self-assessment process or the school resource management self-assessment tool;
- ♦ the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework; and
- ♦ correspondence from ESFA.

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

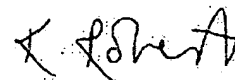
Approved by order of the members of the Board of Trustees and signed on its behalf by:



Mark Swyny

Chair of the Audit and Risk Committee

Date: 14 December 2022



Dr Karen Roberts

Accounting Officer

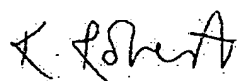
14 December 2022

## Statement on regularity, propriety and compliance 31 August 2022

As Accounting Officer for The Kemnal Academies Trust ('the Trust'), I have considered my responsibility to notify the Trust's Board of Trustees, Audit and Finance Committees 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 Trust, under the Funding Agreements in place between the Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreements and the Academy Trust Handbook 2021.

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



Dr Karen Roberts  
Accounting Officer

Date: 14 December 2022

## Statement of Trustees' responsibilities Year to 31 August 2022

The Trustees of The Kemnal Academies Trust ('the Trust') (who are also the Directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency (ESFA), 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 Trust and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

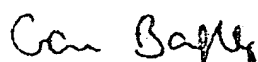
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities Statement of Recommended Practice (Charities SORP FRS 102) and the Academies Accounts Direction 2021 to 2022;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust 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 Trust applies financial and other controls, which conform to 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the Board of Trustees and signed on its behalf by:



Gaenor Bagley  
Chair of Trustees

Date: 14th December 2022

## **Independent auditor's report on the financial statements 31 August 2022**

### **Independent auditor's report to the members of The Kemnal Academies Trust**

#### **Opinion**

We have audited the financial statements of The Kemnal Academies Trust (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP FRS102) and the Academies Accounts Direction 2021 to 2022.

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 2022 and of its income and expenditure for the period 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 FRS 102 and Academies Accounts Direction 2021 to 2022.

#### **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 Auditor's 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**

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

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



## **Independent auditor's report on the financial statements 31 August 2022**

### **Conclusions relating to going concern (continued)**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, 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 Trustees' report including the strategic report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or

## **Independent auditor's report on the financial statements 31 August 2022**

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

- ◆ 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 Trustees' responsibilities statement, the Trustees (who are also the directors 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

## **Independent auditor's report on the financial statements 31 August 2022**

### **Auditor's responsibilities for the audit of the financial statements (continued)**

- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102, the Academies Accounts Direction 2021 to 2022, the Academy Trust Handbook 2021, and the Trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of Trustees' meetings and papers provided to the Trustees; and
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of Trustees' meetings;

## Independent auditor's report on the financial statements 31 August 2022

### Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

### 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 auditor's 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.



15 December 2022

Katharine Patel (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

## **Independent reporting accountant's report on regularity 31 August 2022**

### **Independent reporting accountant's assurance report on regularity to The Kemnal Academies Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 14 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Kemnal Academies Trust (the 'Trust') during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Kemnal Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Kemnal Academies Trust and the ESFA those matters we are required to state in a report for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Kemnal Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of the Kemnal Academies Trust's Accounting Officer and the reporting accountant.**

The Accounting Officer is responsible, under the requirements of The Kemnal Academies Trust's funding agreements with the Secretary of State for Education dated 26 March 2013 and November 2016, and the Academy Trust Handbook extant from 1 September 2021, for ensuring that expenditure disbursed, and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA.

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.

## Independent reporting accountant's report on regularity 31 August 2022

### Approach (continued)


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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

### Conclusion

In the course of our work, other than the point highlighted in the Governance statement on page 42 regarding Miltoncross Academy, which resulted in an in-year immaterial adjustment to the financial statements, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



15 December 2022

Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

# Statement of financial activities Year ended 31 August 2022

(Including Income and Expenditure Account)

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £000	Total funds 2022 £000	Total funds 2021 £000
<b>Income from:</b>						
Donations and capital grants	1	—	191	5,849	<b>6,040</b>	5,812
Charitable activities						
Funding for the Trust's educational operations	2	911	153,103	—	<b>154,014</b>	147,191
Other trading activities	3	1,402	—	—	<b>1,402</b>	1,012
Investments and interest receivable	4	3	—	—	<b>3</b>	4
Other sources	5	—	179	—	<b>179</b>	103
<b>Total income</b>		<b>2,316</b>	<b>153,473</b>	<b>5,849</b>	<b>161,638</b>	<b>154,122</b>
<b>Expenditure on:</b>						
Charitable activities						
Trust's educational operations	6	217	163,411	14,341	<b>177,969</b>	165,306
<b>Total expenditure</b>	6	<b>217</b>	<b>163,411</b>	<b>14,341</b>	<b>177,969</b>	<b>165,306</b>
<b>Net income (expenditure) before transfers</b>		<b>2,099</b>	<b>(9,938)</b>	<b>(8,492)</b>	<b>(16,331)</b>	<b>(11,184)</b>
Transfers between funds	17	—	(1,211)	1,211	<b>—</b>	<b>—</b>
<b>Net income (expenditure) before other recognised gains and losses</b>		<b>2,099</b>	<b>(11,149)</b>	<b>(7,281)</b>	<b>(16,331)</b>	<b>(11,184)</b>
Actuarial gains (losses) on defined benefit pension scheme	21	—	86,907	—	<b>86,907</b>	(8,679)
<b>Net movement in funds</b>		<b>2,099</b>	<b>75,758</b>	<b>(7,281)</b>	<b>70,576</b>	<b>(19,863)</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September 2021		9,154	(82,401)	261,230	<b>187,983</b>	207,846
<b>Total fund balances carried forward at 31 August 2022</b>		<b>11,253</b>	<b>(6,643)</b>	<b>253,949</b>	<b>258,559</b>	<b>187,983</b>

All of the Trust's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

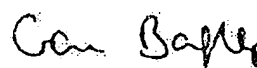
# Balance sheet 31 August 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>Fixed assets</b>					
Tangible fixed assets	13		244,851		253,162
<b>Current assets</b>					
Debtors	14	6,861		7,030	
Cash at bank and in hand		29,832		26,085	
		<u>36,693</u>		<u>33,115</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15	(12,985)		(12,276)	
<b>Net current assets</b>			23,708		20,839
<b>Total assets less current liabilities</b>			<u>268,559</u>		<u>274,001</u>
Creditors: amounts falling due after more than one year	16		(286)		(370)
<b>Net assets excluding pension scheme liabilities</b>			268,273		273,631
Defined benefit pension scheme liabilities	21		(9,714)		(85,648)
<b>Net assets including pension scheme liabilities</b>			<u>258,559</u>		<u>187,983</u>
<b>Funds of the Trust:</b>					
<b>Restricted funds</b>					
Restricted fixed asset funds	17	253,949		261,230	
Restricted general funds	17	3,071		3,247	
Pension reserve	17	(9,714)		(85,648)	
			247,306		178,829
<b>Unrestricted funds</b>					
Unrestricted general funds	17		2,021		9,154
Designated funds	17		9,232		—
			<u>11,253</u>		<u>9,154</u>
<b>Total funds</b>			<u>258,559</u>		<u>187,983</u>

The financial statements on pages 53 to 88 were approved by the Board of Trustees of The Kemnal Academies Trust (Company Registration Number 07348231) and signed on its behalf by:



Mark Swyny  
Trustee and Chair of Audit & Risk Committee



Gaenor Bagley  
Chair of Trustees

Date: 14th December 2022



## Statement of cash flows Year ended 31 August 2022

	Note	2022 £'000	2021 £'000
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	3,703	5,329
<b>Cash flows from investing activities:</b>			
Interest received		3	4
Proceeds from sale of tangible fixed assets		462	—
Purchase of tangible fixed assets		(5,953)	(5,123)
Capital grants from DfE and other capital income received		5,607	5,024
<b>Net cash provided by (used in) investing activities</b>		<b>119</b>	<b>(95)</b>
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		(75)	(44)
Cash inflows from new borrowing		—	358
<b>Net cash (used in) provided by financing activities</b>		<b>(75)</b>	<b>314</b>
<b>Change in cash and cash equivalents in the year</b>		<b>3,747</b>	<b>5,548</b>
Cash and cash equivalents as at 1 September 2021		26,085	20,537
<b>Cash and cash equivalents at 31 August 2022</b>	B	<b>29,832</b>	<b>26,085</b>

### A Reconciliation of net expenditure to net cash flow from operating activities

	2022 £'000	2021 £'000
<b>Net expenditure for the year (as per statement of financial activities)</b>	<b>(16,331)</b>	<b>(11,184)</b>
<b>Adjustments for:</b>		
Depreciation charge (note 13)	14,341	13,630
Investment Income and interest receivable (note 4)	(3)	(4)
Donation of DfE-funded assets	(433)	(621)
(Gain) loss on disposal of fixed assets	(106)	79
Decrease (increase) in debtors	169	(179)
Increase in creditors	700	696
Capital grants from DfE and other capital income	(5,607)	(5,024)
Defined benefit pension scheme service cost adjustment (note 21)	9,570	6,801
Defined benefit pension scheme finance cost (note 21)	1,403	1,135
<b>Net cash provided by operating activities</b>	<b>3,703</b>	<b>5,329</b>

### B Analysis of cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	29,832	26,085
	<b>29,832</b>	<b>26,085</b>

## Statement of cash flows Year ended 31 August 2022

### C Analysis of changes in net debt

	At 1 September 2021 £'000	Cash flows £'000	At 31 August 2022 £'000
<b>Cash and cash equivalents</b>			
Cash at bank and in hand	26,085	3,747	<b>29,832</b>
	<u>26,085</u>	<u>3,747</u>	<u><b>29,832</b></u>
<b>Debt</b>			
Loans falling due within one year (note 15)	(79)	(9)	<b>(88)</b>
Loans falling due after more than one year (note 16)	(370)	84	<b>(286)</b>
	<u>(449)</u>	<u>75</u>	<u><b>(374)</b></u>
	<u>25,636</u>	<u>3,822</u>	<u><b>29,458</b></u>

## Principal accounting policies 31 August 2022

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

### **Basis of preparation of financial statements**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in Sterling and rounded to the nearest thousand pounds.

### **Subsidiary**

The Kemnal Academies Trust shares Members and Trustees with The Kemnal Consultancy Ltd (Company Registered Number 06651917). For the purposes of these accounts, the Trust has not consolidated the results of the subsidiary as their inclusion is not considered material for the purpose of giving a true and fair view.

### **Going concern**

In July 2022, ahead of the submission of the 3-year Budget Forecast Return to the Education and Skills Funding Agency, Trustees were presented with a 3-year budget plan. The plan covered the period September 2022 - August 2025, with all 3 years reflecting factors and assumptions known at that time, and together with an intended, strategic partial use of total pooled reserves.

The Trust recognises that its chief source of funding is government driven, which whilst considered to be secure funding, isn't relied upon solely for the purpose of ascertaining the going concern basis. Trustees give consideration to pressures on government funds, and any impact this may have on the Trust's income streams and/or levels of funding. Significant factors currently at the forefront include:

- ◆ Emergence from the COVID-19 pandemic and the possible pressures this may place on the Central Government education budget.
- ◆ Ongoing sustainability to meet the financial demands of inflationary increases without assurances and/or direction from Central Government that these will be either subsidised and/or fully funded.
- ◆ The ongoing Russian invasion of Ukraine and the impact this continues to have on wholesale energy costs and what measures Central Government will implement to support the education sector through the crisis.

## Principal accounting policies 31 August 2022

### Going concern (continued)

- ◆ Recent changes to senior members of government including cabinet ministers.

Despite the uncertainty surrounding the factors listed above, the Trust has undertaken comprehensive planning to assess the impact of multiple scenarios. As a result, Trustees are reassured that the Trust currently has the financial stability to absorb additional financial shocks at this time.

The Trust has taken a prudent approach to income assumptions included within its 3-year budget plan, with only a 2% increase applied to General Annual Grant (GAG) income across years 2 and 3, and with no other provisions made for further increased income outside of that directly impacted by changes to pupil numbers.

The Trustees recognise the vital importance of ensuring that pupil number assumptions are accurate and depict what the Trust understands of its demographic landscape. Senior Leadership undertook an extensive review of the pupil number data included within the 3-year budget plan, assessing both historic trends and Local Authority directives, to assure Trustees that the underpinning data included within the budget plan was reasonable.

Considering expenditure assumptions within its 3-year budget plan, the Trust sought sector expertise through networking opportunities with external colleagues, as well as directly working with suppliers to ascertain realistic inflationary increases.

This was particularly prevalent when trying to determine the inflationary increases to both gas and electricity costs. Trustees ultimately decided to instruct the Trust's Third Party Intermediary (TPI), to trade its gas and electricity rates for the upcoming 2022/2023 and 2023/2024 period to obtain some levels of certainty over increasing costs.

Recognising its largest single cost, this being staff pay, and the ongoing discussions between Unions and Central Government surrounding both teachers and support staff pay increases, the Trust followed the available guidance of the School Teachers' Review Body (STRB) and other local government pay sources respectively. Whilst this was considered a measured approach, more recent communications from Unions have suggested that cost of living increases could exceed that of the originally anticipated rates. Whilst this will result in further financial restraints being placed upon academy budgets, the Trust remains confident that its overall reserves will be able to absorb the additional costs.

In view of the 2022/2023 3-year budget plan and together with further financial and performance related factors, Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that would impact upon these resources. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

### Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

## Principal accounting policies 31 August 2022

### **Income (continued)**

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant (GAG) 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 are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Where assets are received by the Trust on the conversion of a Local Authority maintained school to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risk and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within income from donations and capital grants. (See 'conversion to an academy Trust' below).

### **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. All expenditure is inclusive of irrecoverable VAT.

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.

Expenditure on charitable activities are costs incurred on the Trust's educational operations, including support costs and those costs relating to the governance of the Trust appointed to charitable activities.

## Principal accounting policies 31 August 2022

### Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education and Skills Funding Agency.

Designated funds are those unrestricted revenue funds which Trustees consider for both long term financial planning and use of strategic, trust-wide spend. During the 2021/2022 year, the Trust implemented a new reserves policy, with the result being, in addition to individual academy retained revenue reserves, the Trust also pools an agreed percentage of excess revenue reserves. In doing so, the Trust is safeguarding a designated fund for the primary purpose of trust-wide, educational initiatives which align with its overall strategic intent framework.

### Tangible fixed assets

All assets costing more than £5,000 are capitalised 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 funds in the statement of financial activities.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

- |                                |                              |
|--------------------------------|------------------------------|
| • Freehold property            | - 1% - 10%                   |
| • Long term leasehold property | - 2% - 25%                   |
| • Motor vehicles               | - 20%                        |
| • Fixtures and fittings        | - 20%                        |
| • Computer equipment           | - 25%                        |
| • Leasehold land               | - Over the life of the lease |

## Principal accounting policies 31 August 2022

### **Tangible fixed assets (continued)**

Where an asset comprises several major identifiable components which are separable and have significantly different patterns of consumption of economic benefits, the Trust allocates the initial cost of each major component to the appropriate class of tangible fixed assets and depreciates each major component separately over its useful economic life.

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.

Properties developed under a Private Finance Initiative (PFI) scheme are excluded from the balance sheet where the Trust is not directly party to the PFI agreement itself and rather the Local Authority has directly contracted with the PFI contractor, and the Trust in turn has contracted with the Local Authority to make financial contributions in respect of the premises.

### **Fixed asset transfers from predecessor schools**

Where fixed assets are transferred to the Trust from the predecessor schools, these have been included at fair value determined in accordance with a professional valuation as at date of the transfer, conducted by an RICS Register Valuer. Land and buildings for which the Trust has the rights and responsibilities of ownership, but which are held under a long-term lease arrangement, are recorded within leasehold buildings. Similarly, for any land and buildings transferred on conversion by a Church body and held under a licence to occupy, the Trust deems that it has adequate control over the land and buildings and these properties are therefore recorded within leasehold buildings.

### **Leases**

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

### **Taxation**

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

### **Cash at bank and in hand**

Cash at bank and in hand includes cash held only.

## **Principal accounting policies 31 August 2022**

### **Liabilities and provisions**

Liabilities and provisions 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 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 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.

### **Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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 other financial instruments.

### **Pensions benefits**

Retirement benefits to employees of the 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 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 a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.



## Principal accounting policies 31 August 2022

### **Pensions benefits (continued)**

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

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

### **Agency arrangements**

The Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and 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 Trust also acts as an agent for the DfE in distributing ICT devices to students. Accordingly, the estimated value of the donated devices received from the DfE is also excluded from the Statement of Financial Activities.

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

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

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

The 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.

**Critical accounting estimates and areas of judgment (continued)**

***Critical accounting estimates and assumptions: (continued)***

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

The net book value of tangible fixed assets is based on the original cost (or valuation) at the point of recognition net of provision for depreciation. The depreciation provision to date is based on the Trustees' assessment of the estimated useful economic lives of such assets.

***Critical areas of judgment:***

The Trustees have considered the accounting treatment of land and buildings utilised by the Trust, in particular in relation to Pluckley Primary Academy. The leasehold of the land and buildings utilised by the academy is held by the Diocese of Canterbury. A subsequent supplementary agreement has been reached between the Diocese of Canterbury, Secretary of State and the Trust stating that the land is available for the Trust to use for the purpose of operating the school. Whilst the leasehold title to the property used by the academy is not held by the Trust, the Trustees consider that the use of the land and buildings should be recognised in the balance sheet in order to reflect the value of its anticipated continued use. Land and buildings occupied under this arrangement have therefore been recognised in long term leasehold land and buildings. On initial recognition, the valuation of the land and buildings was determined by an expert valuer on an existing use basis.

# Notes to the financial statements 31 August 2022

## 1. Income from donations and capital grants

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
<b>2022</b>					
Donations	—	191	896	1,087	788
DfE / ESFA capital grants	—	—	4,934	4,934	4,985
Other capital grants	—	—	19	19	39
	—	191	5,849	6,040	5,812

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds 2021 £'000
<b>2021</b>				
Donations	—	167	621	788
DfE / ESFA capital grants	—	—	4,985	4,985
Other capital grants	—	—	39	39
	—	167	5,645	5,812

## Notes to the financial statements 31 August 2022

### 2. Income from charitable activities:

#### Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
<b>2022</b>				
<b>DfE/ESFA grants</b>				
General Annual Grants (GAG)	—	126,341	<b>126,341</b>	117,845
Start-up grants	—	44	<b>44</b>	61
Other DfE/ESFA revenue grants				
Pupil Premium	—	8,830	<b>8,830</b>	8,435
UIFSM	—	967	<b>967</b>	1,017
Others	—	4,646	<b>4,646</b>	7,261
	—	140,828	<b>140,828</b>	135,654
<b>Other government grants</b>				
Local authority grants	—	8,461	<b>8,461</b>	8,317
	—	8,461	<b>8,461</b>	8,317
<b>Other income from the Trust's educational operations</b>				
Trips and activities	—	552	<b>552</b>	50
Catering	911	—	<b>911</b>	529
Other	—	471	<b>471</b>	243
	911	1,023	<b>1,934</b>	822
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	—	1,096	<b>1,096</b>	1,749
Other DfE/ESFA COVID-19 funding	—	1,695	<b>1,695</b>	470
	—	2,791	<b>2,791</b>	2,219
<b>Exceptional government funding (non-DfE/ESFA)</b>				
Coronavirus exceptional support	—	—	<b>—</b>	179
	911	153,103	<b>154,014</b>	146,156

The Trust received £1,096,000 of funding for Covid recovery premium and costs incurred in respect of this funding totalled £1,034,000, with the remaining £62,000 to be spent in 2022/23.

## Notes to the financial statements 31 August 2022

### 2. Income from charitable activities (continued):

#### Funding for the Trust's educational operations (continued)

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
<b>2021</b>			
<i>DfE/ESFA grants</i>			
General Annual Grants (GAG)	—	117,845	117,845
Start-up grants	—	61	61
Other DfE/ESFA revenue grants			
Pupil Premium	—	8,435	8,435
UIFSM	—	1,017	1,017
Others	—	7,261	7,261
	—	134,619	134,619
Other government grants			
Local authority grants	—	8,317	8,317
	—	8,317	8,317
Other income from the Trust's educational operations			
Trips and activities	—	50	50
Catering	529	—	529
Other	—	243	243
	529	293	822
COVID-19 additional funding (DfE/ESFA)			
Catch-up premium	—	1,749	1,749
Other DfE/ESFA COVID-19 funding	—	470	470
	—	2,219	2,219
Exceptional government funding (non- DfE/ESFA)			
Coronavirus exceptional support	—	179	179
	529	145,627	146,156

### 3. Income from other trading activities

	Unrestricted funds	
	2022 £'000	2021 £'000
Lettings	828	569
Academy's shop	201	112
Other income	373	331
	1,402	1,012

### 4. Income from investments and interest receivable

	Unrestricted funds	
	2022 £'000	2021 £'000
Bank interest	3	4
	3	4

## Notes to the financial statements 31 August 2022

### 5. Income from other sources

	Restricted funds	
	2022 £'000	2021 £'000
Insurance claims	179	103
	<b>179</b>	<b>103</b>

### 6. Expenditure

	Staff costs (note 9) £'000	Premises £'000	Other costs £'000	Total 2022 £'000
<b>Educational operations (including Teaching School)</b>				
· Direct costs	101,701	14,342	8,266	<b>124,309</b>
· Support costs (note 7)	28,126	14,928	10,606	<b>53,660</b>
<b>Total 2022</b>	<b>129,827</b>	<b>29,270</b>	<b>18,872</b>	<b>177,969</b>
	Staff costs (note 9) £'000	Premises £'000	Other costs £'000	Total 2021 £'000
<i>Educational operations (including Teaching School)</i>				
· Direct costs	97,692	13,630	5,986	117,308
· Support costs (note 7)	24,895	2,543	20,560	47,998
<b>Total 2021</b>	<b>122,587</b>	<b>16,173</b>	<b>26,546</b>	<b>165,306</b>

### 7. Expenditure on charitable activities:

#### Analysis of support costs

	2022 £'000	2021 £'000
<b>Support costs</b>		
Support staff costs	<b>28,126</b>	26,030
Technology costs	<b>1,302</b>	1,549
Premises costs	<b>14,928</b>	13,856
Legal costs	<b>110</b>	72
Other support costs	<b>8,116</b>	5,451
Governance costs	<b>1,078</b>	1,040
	<b>53,660</b>	47,998

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the Trust's activities. These costs will include any employee benefits for Trusteeship, the cost of Trust employees involved in meetings with Trustees, the cost of any administrative support provided to the Trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory financial statements.

## Notes to the financial statements 31 August 2022

### 8. Net income / (expenditure)

<b>This is stated after charging:</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Depreciation and impairment of tangible fixed assets:		
- owned by the Trust	14,341	13,630
External auditors' remuneration – audit and assurance	110	110
External auditors' remuneration – other services	30	29
(Gain) loss on disposal of fixed assets	(106)	79
Operating lease rentals	5,683	5,546

#### Included within expenditure are the following transactions:

	<b>Total £'000</b>	<b>Individual items above £5,000</b>	<b>Reason</b>
		<b>Amount £'000</b>	
Gifts made by TKAT	8	—	No individual items over £5k.
Unrecoverable debts	1	—	No individual items over £5k.

### 9. Staff costs

	<b>2022 £'000</b>	<b>2021 £'000</b>
Wages and salaries	89,216	86,469
Social security costs	8,712	8,228
Pension costs	28,574	25,443
Apprenticeship levy	434	423
	<b>126,936</b>	<b>120,563</b>
Supply teacher costs	2,594	1,361
Staff restructuring costs	297	663
	<b>129,827</b>	<b>122,587</b>
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	33	230
Severance payments	264	433
	<b>297</b>	<b>663</b>

#### a) Severance payments

The academy trust paid 10 severance payments in the year, disclosed in the following bands:

	<b>2022 No.</b>
£0 - £25,000	6
£25,001 - £50,000	3
£50,001 - £100,000	1

## Notes to the financial statements 31 August 2022

### 9. Staff costs (continued)

#### b) *Special staff severance payments*

Included in staff restructuring costs are special (non-contractual) severance payments totalling £144,220 (2021: £169,158). Individually, the payments were: £1,600, £2,500, £5,000, £7,628, £22,454, £31,200, £31,703, £42,135.

The exit payments listed above were each made following a rigorous value for money assessment, the Trust takes its responsibility and commitment to upholding the use of public monies for purposes intended by parliament extremely seriously. In all cases, the Trust is therefore confident that it achieved the best outcome for all parties.

#### c) *Staff numbers*

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

	2022 No.	2021 No.
Teachers	1,282	1,304
Administration and support	1,871	1,887
Management	121	106
	<b>3,274</b>	<b>3,297</b>
	2022 FTE	2021 FTE
Teachers	1,161	1,183
Administration and support	1,196	1,181
Management	108	101
	<b>2,465</b>	<b>2,465</b>

#### d) *Higher paid staff*

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	68	56
In the band £70,001 - £80,000	30	32
In the band £80,001 - £90,000	13	7
In the band £90,001 - £100,000	6	8
In the band £100,001 - £110,000	3	4
In the band £110,001 - £120,000	6	4
In the band £120,001 - £130,000	3	—
In the band £130,001 - £140,000	3	4
In the band £140,001 - £150,000	1	—
In the band £170,001 - £180,000	—	2
In the band £180,001 - £190,000	1	—
In the band £220,001 - £230,000	—	1
In the band £230,001 - £240,000	1	—



## Notes to the financial statements 31 August 2022

### 9. Staff costs (continued)

#### e) *Key management personnel*

The key management personnel of the Trust comprises the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,289,075 (2021: £1,330,571).

### 10. Trustees' remuneration and expenses

One Trustee (2021: one Trustee) has been paid remuneration or has received other benefits from an employment with the Trust. The individual only receives remuneration in respect of services provided undertaking the role as academy staff under her contract of employment, and not in respect of her role as a Trustee. The remuneration and other benefits receivable by this individual were as follows:

	2022 £'000	2021 £'000
Dr Karen Roberts (CEO and Trustee)		
Remuneration	195 – 200	185 – 190
Salary in lieu of pension contribution	35 – 40	35 – 40
Total	230 – 240	220 – 225

During the year ended 31 August 2022, travel and subsistence expenses totalling £1,284 were reimbursed or paid directly to four Trustees (2021: £47 to one Trustee).

### 11. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £500,000 on any one claim and the cost for the year ended 31 August 2022 was included within the overall cost of the insurance premium.

### 12. Central services

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

- ♦ Educational - Strategic direction and Intervention;
- ♦ Non Education - Strategic support and direction in the areas of Safeguarding, SEND, and general pastoral care;
- ♦ Human Resources;
- ♦ Estates, Health and Safety Advice;
- ♦ Financial Services including Internal Audit; and
- ♦ Legal Services.

The Trust charges individual academies for these services at 5% (2021: 5%) of the school's GAG funding allocation.

## Notes to the financial statements 31 August 2022

### 12. Central services (continued)

The actual amounts charged for the year were as follows:

	2022 £'000	2021 £'000
Bridgemary School	234	193
Broadfield Primary Academy	120	114
Chichester High School	369	344
Cleave Meadow School	40	30
Cleeve Park School	308	281
Dame Janet Primary Academy	89	88
Debden Park High School	299	278
Drapers Mills Primary Academy	92	100
East Wickham Primary Academy	136	130
Front Lawn Primary Academy	109	106
Gray's Farm Primary Academy	94	95
Havant Academy	196	160
Heybridge Primary Academy	66	56
Hilltop Primary Academy	131	121
Horizon Primary Academy	49	45
Hylands School	211	196
Kemnal Technology College	199	158
King Harold School	211	173
Maldon Primary School	49	49
Miltoncross Academy	243	232
Napier Community Primary & Nursery Academy	118	109
Newlands Primary School	74	75
Northdown Primary School	74	71
Orchards Academy	171	156
Ore Village Primary Academy	74	67
Pebsham Primary Academy	46	43
Pluckley Church of England Primary School	23	22
Portfield Primary Academy	55	51
Rainham High School for Girls	462	422
Royal Park Primary Academy	92	84
Salmestone Primary School	56	63
Seal Primary Academy	70	68
Seymour Primary School	103	99
Shenstone School	81	75
Smarden Primary School	26	26
Stapleford Abbots Primary Academy	30	29
Tangmere Academy	47	43
The Academy, Selsey	126	111
The Bewbush Academy	124	121
The Mill Primary Academy	110	100
The Oaks Primary School	88	81
Thomas Bennett Community College	341	298
Welling Academy	465	441
Weyfield Primary Academy	54	57
Willow Brook Primary School and Nursery	42	41
	<b>6,197</b>	<b>5,702</b>

## Notes to the financial statements 31 August 2022

### 13. Tangible Fixed Assets

	Freehold property £'000	Long-term leasehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>						
At 1 September 2021	74,583	252,028	8,341	4,360	64	339,376
Additions	1,176	2,910	910	1,390	—	6,386
Disposals	(228)	(48)	(456)	(812)	—	(1,544)
At 31 August 2022	75,531	254,890	8,795	4,938	64	344,218
<b>Depreciation</b>						
At 1 September 2021	19,896	59,958	4,297	2,018	45	86,214
Charge for the year	2,421	9,010	1,680	1,220	10	14,341
Disposals	(76)	(17)	(431)	(664)	—	(1,188)
At 31 August 2022	22,241	68,951	5,546	2,574	55	99,367
<b>Net book value</b>						
At 31 August 2022	53,290	185,939	3,249	2,364	9	244,851
At 31 August 2021	54,687	192,070	4,044	2,342	19	253,162

#### Land

Where land is owned (or occupied under terms of a long lease), subject to a legally binding restriction as to its use, it is initially recognised at a value determined with a professional valuation which takes account of the restrictions on use.

#### Buildings

In accordance with the requirements of FRS 102, specialist buildings transferred from the predecessor schools are initially recognised at their depreciated replacement cost at the time of the transfer and non-specialised buildings (such as school cottages) are recognised at market value. Depreciation on transferred buildings is charged on a straight-line basis over the estimated remaining useful life.

### 14. Debtors

	2022 £'000	2021 £'000
Trade debtors	295	239
Other debtors	562	732
Prepayments and accrued income	4,188	4,499
VAT Recoverable	1,816	1,560
	<b>6,861</b>	<b>7,030</b>

## Notes to the financial statements 31 August 2022

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

	2022 £'000	2021 £'000
Trade creditors	2,932	2,800
Taxation and social security	4,072	3,578
ESFA creditor	213	18
Local Authority creditor	19	4
Loans (see note 16)	88	79
Accruals and deferred income (see below)	5,622	5,651
Other creditors	39	146
	<b>12,985</b>	<b>12,276</b>

The ESFA creditor relates mainly to School Led Tuition grant clawback (2021 – COVID-19 funding clawback).

	2022 £'000	2021 £'000
<b>Deferred income (included above)</b>		
Deferred income at 1 September 2021	2,181	1,917
Resources deferred during the year	1,838	2,181
Amounts released from previous years	(2,181)	(1,917)
<b>Deferred income at 31 August 2022</b>	<b>1,838</b>	<b>2,181</b>

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

	2022 £'000	2021 £'000
Loans	286	370
	<b>286</b>	<b>370</b>

The Trust currently has 7 loans in place, all held with Salix Finance Limited, awarded for energy efficiency projects. The loan repayments are interest free and will be paid in full by the following periods:

- ◆ One loan will be paid in full by August 2025.
- ◆ One loan will be paid in full by August 2026.
- ◆ Four loans will be paid in full by August 2027.
- ◆ One loan will be paid in full by August 2028.

## Notes to the financial statements 31 August 2022

### 17. Funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,381	126,341	(124,249)	(1,226)	2,247
Pupil Premium	—	8,830	(8,823)	—	7
UIFSM	594	967	(1,561)	—	—
Catch-up premium	451	1,096	(1,485)	—	62
Other DfE/ESFA COVID-19 funding	—	1,695	(1,695)	—	—
Other DfE/ ESFA	243	3,788	(4,031)	—	—
Voluntary funds	41	552	(608)	15	—
Other government grants	537	9,363	(9,145)	—	755
Other income funds	—	841	(841)	—	—
Pension reserve	(85,648)	—	(10,973)	86,907	(9,714)
	<u>(82,401)</u>	<u>153,473</u>	<u>(163,411)</u>	<u>85,696</u>	<u>(6,643)</u>
<b>Restricted fixed asset funds</b>					
Unspent capital grants	8,068	—	—	1,030	9,098
DfE/ ESFA capital grants	26,343	5,830	(1,193)	—	30,980
Donation on conversion	200,189	—	(10,710)	181	189,660
Other donations from Local Authority	13,757	—	(1,173)	—	12,584
Local Authority grants	148	19	—	—	167
Insurance income	12,725	—	(1,265)	—	11,460
	<u>261,230</u>	<u>5,849</u>	<u>(14,341)</u>	<u>1,211</u>	<u>253,949</u>
<b>Unrestricted funds</b>					
General funds	9,154	2,316	(217)	(9,232)	2,021
Designated funds	—	—	—	9,232	9,232
	<u>9,154</u>	<u>2,316</u>	<u>(217)</u>	<u>—</u>	<u>11,253</u>
<b>Total funds</b>	<u>187,983</u>	<u>161,638</u>	<u>(177,969)</u>	<u>86,907</u>	<u>258,559</u>

#### **Restricted general funds**

Restricted general funds represent the balance of funds available from revenue grants received from local/central government and other donors, the application of which is limited to the conditions imposed by the grantor / donor. The principal funding received from the government is the General Annual Grant (GAG) provided by the Education and Skills Funding Agency. Under the funding agreements with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

## Notes to the financial statements 31 August 2022

### 17. Funds (continued)

#### ***Restricted fixed asset funds***

This fund equates to the net book value of the Trust's tangible fixed assets plus any capital funding received from central/local government and other donors which has not been expended by the balance sheet date. The capital funding may be used to complete capital projects or undertaken for maintenance works on existing tangible fixed assets.

The fund balance includes the carrying value of school buildings (and other tangible fixed assets) inherited by the Trust where a school has converted or joined the Trust from another Academy Trust, and the carrying value of all other assets donated to the Trust.

The insurance income balance included within restricted fixed asset funds represents the cumulative insurance proceeds utilised to fund the rebuild of The Academy, Selsey following the major fire which occurred in August 2016.

#### ***Unrestricted funds***

The unrestricted general funds represent monies which may be applied for any purpose within The Kemnal Academies Trust's objects.

#### ***Designated funds***

Designated funds are those unrestricted revenue funds which Trustees consider for both long term financial planning and use of strategic, trust-wide spend. During the 2021/2022 year, the Trust implemented a new reserves policy, with the result being, in addition to individual academy retained revenue reserves, the Trust also pools an agreed percentage of excess revenue reserves. In doing so, the Trust is safeguarding a designated fund for the primary purpose of trust-wide, educational initiatives which align with its overall strategic intent framework.

#### ***Transfers between funds***

Transfers from either restricted general funds or unrestricted funds to the restricted fixed asset funds are made where revenue reserves are required to finance the purchase of tangible fixed assets. Transfers from restricted fixed assets fund to either restricted general funds or unrestricted funds are made where capital income has been spent on repairs and maintenance of existing fixed assets.

# Notes to the financial statements 31 August 2022

## 17. Funds (continued)

### Comparative information for the year to 31 August 2021:

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	—	117,845	(114,616)	(1,848)	1,381
Pupil Premium	32	8,435	(8,467)	—	—
UIFSM	—	1,017	(423)	—	594
Catch-up premium	—	1,749	(1,298)	—	451
Other DfE/ESFA COVID-19 funding	—	470	(470)	—	—
Other COVID-19 funding	—	179	(179)	—	—
Other DfE/ ESFA	1,153	7,322	(8,232)	—	243
Voluntary funds	94	50	(103)	—	41
Other government grants	515	9,352	(9,330)	—	537
Other income funds	—	513	(492)	(21)	—
Pension reserve	(69,033)	—	(7,936)	(8,679)	(85,648)
	<u>(67,239)</u>	<u>146,932</u>	<u>(151,546)</u>	<u>(10,548)</u>	<u>(82,401)</u>
<b>Restricted fixed asset funds</b>					
Unspent capital grants	6,219	—	—	1,849	8,068
DfE/ ESFA capital grants	21,628	5,606	(911)	20	26,343
Donation on conversion	210,384	—	(10,195)	—	200,189
Other donations from Local Authority	14,926	—	(1,169)	—	13,757
Local Authority grants	109	39	—	—	148
Insurance income	14,080	—	(1,355)	—	12,725
	<u>267,346</u>	<u>5,645</u>	<u>(13,630)</u>	<u>1,869</u>	<u>261,230</u>
<b>Unrestricted funds</b>					
General funds	7,739	1,545	(130)	—	9,154
	<u>7,739</u>	<u>1,545</u>	<u>(130)</u>	<u>—</u>	<u>9,154</u>
<b>Total funds</b>	<u>207,846</u>	<u>154,122</u>	<u>(165,306)</u>	<u>(8,679)</u>	<u>187,983</u>

## Notes to the financial statements 31 August 2022

### 17. Funds (continued)

#### Total funds analysis by academy:

Fund balances at 31 August 2022 were allocated as follows:

	2022 £'000	2021 £'000
Bridgemary School	410	940
Broadfield Primary Academy	207	518
Chichester High School	399	254
Cleeve Meadow School	122	327
Cleeve Park School	283	271
Dame Janet Primary Academy	128	417
Debden Park High School	186	675
Drapers Mills Primary Academy	152	165
East Wickham Primary Academy	219	255
Front Lawn Primary Academy	123	422
Gray's Farm Primary Academy	146	430
Havant Academy	207	111
Heybridge Primary Academy	116	195
Hilltop Primary Academy	185	256
Horizon Primary Academy	74	107
Hylands School	221	278
Kemnal Technology College	(863)	(627)
King Harold School	245	607
Maldon Primary School	(141)	16
Miltoncross Academy	(377)	28
Napier Community Primary & Nursery Academy	191	443
Newlands Primary School	120	359
Northdown Primary School	120	14
Orchards Academy	228	525
Ore Village Primary Academy	48	—
Pebsham Primary Academy	74	190
Pluckley Church of England Primary School	35	113
Portfield Primary Academy	8	1
Rainham High School for Girls	488	1,140
Royal Park Primary Academy	131	288
Salmestone Primary School	92	112
Seal Primary Academy	(48)	(117)
Seymour Primary School	151	403
Shenstone School	337	530
Smarden Primary School	47	148
Stapleford Abbots Primary Academy	11	7
Tangmere Academy	68	232
The Academy, Selsey	162	153
The Bewbush Academy	208	520
The Mill Primary Academy	184	360
The Oaks Primary School	152	302
Thomas Bennett Community College	(468)	(963)
Welling Academy	500	1,199
Weyfield Primary Academy	(118)	469
Willow Brook Primary School and Nursery	(61)	5
The Kemnal Academies Trust	390	323
TKAT Central Buffer Reserves	2,019	—
TKAT Central Strategic Reserves	7,213	—
<b>Total before fixed asset fund and pension reserve*</b>	<b>14,324</b>	<b>12,401</b>
Restricted fixed asset funds	253,949	261,230
Pension reserve	(9,714)	(85,648)
<b>Total funds</b>	<b>258,559</b>	<b>187,983</b>

\* This figure includes £854,000 (2021: £739,000) of ring-fenced donations and other ring-fenced monies for school trips which are not considered to be part of the Trust's usable revenue reserves.



## Notes to the financial statements 31 August 2022

### 17. Funds (continued)

#### Academies carrying a net deficit:

The following academies are carrying cumulative net deficits as at 31 August 2022:

Name of Academy	Amount of deficit £'000
Kemnal Technology College	(863)
Maldon Primary School	(141)
Miltoncross Academy	(377)
Seal Primary Academy	(48)
Thomas Bennett Community College	(468)
Weyfield Primary Academy	(118)
Willow Brook Primary School and Nursery	(61)
	<b>(2,076)</b>

The Trust is taking the following action to return the above academies to a net surplus position:

#### ***Kemnal Technology College:***

During the 2021/2022 year, Kemnal Technology College has continued to be supported and led by an experienced Executive Headteacher. Pupil numbers continue to rise and the academy's status within the local community continues to grow following the successful introduction of a co-ed system in September 2019. In recognition of the significant growth to pupil numbers, the DfE awarded the academy additional in-year GAG funding. In anticipation of the growing pupil numbers, the academy continued to strengthen its staff infrastructure during the 2021/2022 year, and through sound financial management, still proceeded to work within the parameters of their approved deficit recovery plan.

#### ***Maldon Primary School***

Following a disappointing Ofsted inspection in February 2022, the Trust has implemented the improvements required across multiple areas of the academy. To ensure these improvements were financially viable, the Trust's Senior Leadership Team had approval from Trustees to spend additional resources to strengthen the academy's own senior leadership team, and make enhancements to the academy buildings and grounds. Ofsted's subsequent monitoring visit, recognised that Leaders and those responsible for governance were taking effective action towards the removal of the serious weaknesses designation.

Looking forward, the academy has set robust budgets across its three year budget plan which remains financially stable, whilst delivering the continued outcomes in line with its school improvement plan.

#### ***Miltoncross Academy***

During the 2021/2022 year, it was discovered that the academy had previously set an unsustainable budget plan. As a result, the Trust's Senior Leadership Team has worked closely with the academy to identify an appropriate recovery plan.

Pupil numbers are growing significantly, resulting in the academy having to balance the demands of expanding its staff infrastructure against the impact of lagged GAG funding. Despite this however, realistic budget plans for the coming three year period have been approved by Trustees and see the cumulative deficit position reduce year on year.

17. Funds (continued)

**Academies carrying a net deficit: (continued)**

***Seal Primary Academy:***

Seal Primary Academy is a two form entry primary school located in Selsey, West Sussex. Pupil numbers have been declining steadily over the last three years with demographic data suggesting that this is chiefly due to low birth rates and families being 'priced-out' of the catchment area due to high housing costs.

Despite these pressures, the academy successfully finished the 2021/2022 academic year with an in-year surplus of £68k, reducing its cumulative deficit from the previous year by over 58%.

***Thomas Bennett Community College:***

Over the course of the last three academic years, pupil numbers at Thomas Bennett Community College have increased, with the wider external perception of the academy going from strength to strength. Ongoing positive local news, including the academy's most recent Ofsted visit have all contributed to the academy's improved status within the community and has had a positive impact on growing pupil numbers.

As at the end of the 2021/2022 year, the academy successfully reduced its cumulative deficit position by over 51% demonstrating that despite operating within the restraints of its deficit recovery plan, a positive impact on both educational and Ofsted expectations could still be achieved.

Looking forward, the academy is forecasting in-year surplus' across its three year budget plan, returning to a cumulative surplus position by the end of August 2024.

***Weyfield Primary Academy***

During the 2021/2022 academic year, the academy was for a length of time, without the consistent support of an experienced Business Manager. As a result, significant errors were discovered within the academy's original budget plan.

Towards the end of the 2021/2022 year, the Trust's Senior Leadership Team successfully recruited an experienced Business Manager at the academy who was able to readily work with the Trust's HQ finance team on mitigating the financial impact of any in-year deficit.

The academy has set realistic targets for its three year budget plan, which coupled with the stability of an experienced Business Manager, is set to see the cumulative deficit reducing year on year.

***Willow Brook Primary School and Nursery***

The academy set an approved in-year deficit of £82k for the 2021/2022 year which was largely the result of possible restructuring costs. As the 2021/2022 year progressed however, movements in staff meant that the planned restructure no longer needed to go ahead as originally planned. Whilst this meant that the majority of the original budgeted deficit was no longer realised, the strategically approved appointment of an additional SLT member partially offsetted any subsequent savings.

The academy has set realistic targets for its three year budget plan with the cumulative deficit set to reduce year on year.

## Notes to the financial statements 31 August 2022

### 18. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
<b>At 31 August 2022</b>					
Tangible fixed assets	—	—	244,851	<b>244,851</b>	253,162
Current assets	11,253	16,342	9,098	<b>36,693</b>	33,115
Current liabilities	—	(12,985)	—	<b>(12,985)</b>	(12,276)
Non-current liabilities	—	(286)	—	<b>(286)</b>	(370)
Pension scheme liability	—	(9,714)	—	<b>(9,714)</b>	(85,648)
	<b>11,253</b>	<b>(6,643)</b>	<b>253,949</b>	<b>258,559</b>	<b>187,983</b>

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds 2021 £'000
<b>At 31 August 2021</b>				
Tangible fixed assets	—	—	253,162	253,162
Current assets	9,154	15,893	8,068	33,115
Current liabilities	—	(12,276)	—	(12,276)
Non-current liabilities	—	(370)	—	(370)
Pension scheme liability	—	(85,648)	—	(85,648)
	<b>9,154</b>	<b>(82,401)</b>	<b>261,230</b>	<b>187,983</b>

## Notes to the financial statements 31 August 2022

### 19. Analysis of expenditure by academy

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

	Teaching and Educational Support Staff costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs excluding dep'n £'000	Total 2022 £'000	Total 2021 £'000
Bridgemary School	3,017	953	172	667	4,809	4,301
Broadfield Primary Academy	1,849	470	129	382	2,830	2,683
Chichester High School	5,152	1,397	209	1,002	7,760	7,303
Cleeve Meadow School	1,213	223	61	225	1,722	1,112
Cleeve Park School	4,669	1,184	184	743	6,780	6,452
Dame Janet Primary Academy	1,597	746	83	382	2,808	2,742
Debden Park High School	4,644	619	119	2,195	7,577	7,512
Drapers Mills Primary Academy	1,568	294	55	321	2,238	2,770
East Wickham Primary Academy	2,416	599	92	401	3,508	3,484
Front Lawn Primary Academy	1,907	566	123	400	2,996	2,748
Gray's Farm Primary Academy	1,814	333	97	277	2,521	2,404
Havant Academy	2,327	816	142	494	3,779	3,512
Heybridge Primary Academy	1,172	367	45	282	1,866	1,519
Hilltop Primary Academy	2,057	359	127	291	2,834	2,777
Horizon Primary Academy	856	285	60	125	1,326	1,231
Hylands School	2,672	1,153	156	611	4,592	4,394
Kemnal Technology College	2,934	645	79	605	4,263	3,867
King Harold School	3,005	737	73	592	4,407	4,002
Maldon Primary School	910	250	34	224	1,418	1,276
Miltoncross Academy	3,758	849	266	1,366	6,239	5,857
Napier Community Primary & Nursery Academy	1,848	506	98	360	2,812	2,489
Newlands Primary School	877	453	71	291	1,692	1,729
Northdown Primary School	1,249	326	105	272	1,952	1,825
Orchards Academy	2,510	688	74	534	3,806	3,646
Ore Village Primary Academy	1,361	369	36	263	2,029	1,940
Pebsham Primary Academy	719	233	57	149	1,158	1,104
Pluckley Church of England Primary School	403	70	16	45	534	502
Portfield Primary Academy	995	280	62	191	1,528	1,331
Rainham High School for Girls	6,857	2,026	262	903	10,048	9,782
Royal Park Primary Academy	1,591	336	83	348	2,358	2,626
Salvestone Primary School	816	277	34	167	1,294	1,594
Seal Primary Academy	1,056	258	33	195	1,542	1,726
Seymour Primary School	1,808	330	138	290	2,566	2,536
Shenstone School	3,612	895	42	461	5,010	4,655
Smarden Primary School	496	199	30	94	819	706
Stapleford Abbotts Primary Academy	509	130	17	111	767	786
Tangmere Academy	708	210	53	163	1,134	1,056
Total carried forward	76,952	20,431	3,517	16,422	117,322	111,979

## Notes to the financial statements 31 August 2022

### 19. Analysis of expenditure by academy (continued)

	Teaching and Educational Support Staff costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs excluding dep'n £'000	Total 2022 £'000	Total 2021 £'000
Total brought forward	76,952	20,431	3,517	16,422	117,322	111,979
The Academy, Selsey	1,996	287	72	506	2,861	2,542
The Bewbush Academy	2,110	505	82	445	3,142	3,029
The Mill Primary Academy	1,793	288	154	407	2,642	2,344
The Oaks Primary School	1,460	345	60	289	2,154	2,057
Thomas Bennett Community College	4,804	1,020	206	1,930	7,960	7,060
Welling Academy	7,361	958	249	2,342	10,910	10,164
Weyfield Primary Academy	1,056	244	63	244	1,607	1,431
Willow Brook Primary School and Nursery	763	228	39	134	1,164	1,183
The Kemnal Academies Trust	3,477	3,749	44	6,596	13,866	9,887
	101,772	28,055	4,486	29,315	163,628	151,676

### 20. Capital commitments

At 31 August 2022, the Trust had capital commitments as follows:

	2022 £'000	2021 £'000
Contracted for but not provided in these financial statements	2,995	1,939
	2,995	1,939

These commitments will be funded by capital grants already confirmed by the DfE.

### 21. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and various Local Government Pension Schemes (LGPS) for non-teaching staff, which are managed by 9 different Local Authorities (Kent, Essex, West Sussex, East Sussex, Bromley, Bexley, Surrey, Portsmouth and Hampshire County Councils). The TPS and the various LGPS are all multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £1,403,693 were payable to the schemes at 31 August 2022 (2021: £1,228,646) and are included within creditors.

**21. Pension commitments (continued)**

***Teachers' Pension Scheme***

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

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

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

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

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

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

The employer's pension costs paid to TPS in the period amounted to £16,086,014 (2021: £14,394,551).

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

Under the definitions set out in FRS 102, the TPS is an unfunded 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.

## Notes to the financial statements 31 August 2022

### 21. Pension commitments (continued)

#### **Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2022 as referenced in the actuarial reports were £8,122,000 (2021: £7,614,000), of which employer's contributions totalled £6,352,000 (2021: £5,939,000) and employees' contributions totalled £1,770,000 (2021: £1,675,000). The agreed contribution rates for future years are 14.1% - 24.1% for employers and 5.5% - 12.5% for employees.

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

<b>Principal actuarial assumptions:</b>	<b>2022</b>	<b>2021</b>
Discount rate for scheme liabilities	<b>4.2%</b>	1.7%
Rate of increase in salaries	<b>3.9%</b>	3.8%
Rate of increase for pensions in payment / inflation	<b>2.9%</b>	2.8%
Inflation assumption (CPI)	<b>2.9%</b>	2.8%

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

<b>Mortality assumptions:</b>	<b>2022 Years</b>	<b>2021 Years</b>
<i>Retiring today</i>		
Males	<b>21.0 – 22.9</b>	21.2 – 23.0
Females	<b>23.5 – 25.4</b>	23.7 – 25.5
<i>Retiring in 20 years</i>		
Males	<b>22.1 – 24.7</b>	22.0 – 24.7
Females	<b>24.9 – 27.2</b>	25.1 – 27.2

<b>Sensitivity analysis:</b>	<b>At 31 August 2022 £'000</b>	<b>At 31 August 2021 £'000</b>
Discount rate +0.1 %	<b>(3,012)</b>	(5,755)
Discount rate -0.1 %	<b>3,072</b>	4,160
Mortality assumption - 1 year increase	<b>3,071</b>	6,792
Mortality assumption - 1 year decrease	<b>(3,646)</b>	(8,301)
CPI rate +0.1%	<b>2,876</b>	4,706
CPI rate -0.1%	<b>(2,820)</b>	(4,613)

## Notes to the financial statements 31 August 2022

### 21. Pension commitments (continued)

#### *Local Government Pension Scheme (continued)*

The Trust's share of the assets in the schemes were:

	At 31 August 2022 £'000	At 31 August 2021 £'000
<b>Asset allocation:</b>		
Equities	63,283	66,273
Corporate bonds	22,185	27,077
Property	14,188	9,860
Cash and other liquid assets	3,365	4,580
Other	12,766	11,566
<b>Total market value of assets</b>	<b>115,787</b>	<b>119,356</b>

The actual return on scheme assets was £1,132,000 (2021: £6,659,000).

	2022 £'000	2021 £'000
<b>Amounts recognised to the statement of financial activities:</b>		
Current and past service costs	(15,815)	(12,639)
Administration costs	(110)	(101)
Benefit changes, gain (loss) on curtailment and gain (loss) on settlement	(3)	—
Interest income	2,047	1,687
Interest cost	(3,450)	(2,822)
	<b>(17,331)</b>	<b>(13,875)</b>

	2022 £'000	2021 £'000
<b>Changes in the present value of defined benefit obligations:</b>		
At 1 September 2021	205,004	165,386
Current service cost	15,815	12,639
Interest cost	3,450	2,822
Employee contributions	1,770	1,675
Actuarial (gain) loss	(98,344)	24,028
Benefits paid	(2,191)	(1,546)
Plan introductions, benefit changes, curtailments and settlements	(3)	—
<b>At 31 August 2022</b>	<b>125,501</b>	<b>205,004</b>

	2022 £'000	2021 £'000
<b>Changes in the fair value in the Trust's share of scheme assets</b>		
At 1 September 2021	119,356	96,353
Interest income	2,047	1,687
Actuarial (gain) loss	(10,522)	15,349
Expected return on assets	(915)	—
Employer contributions	6,352	5,939
Employee contributions	1,770	1,675
Benefits paid	(2,191)	(1,546)
Administration costs	(110)	(101)
<b>At 31 August 2022</b>	<b>115,787</b>	<b>119,356</b>



## Notes to the financial statements 31 August 2022

### 22. Operating lease and similar commitments

At 31 August 2022 the total of the Trust's future minimum lease payments under non-cancellable operating leases were as follows:

	2022 £'000	2021 £'000
<b>Amounts payable:</b>		
Within 1 year	440	451
Between 1 and 5 years	518	365
After more than 5 years	21	20
<b>Total commitment</b>	<b>979</b>	<b>836</b>

In addition to the above, four of the properties occupied by the Trust were developed and financed through Private Finance Initiative (PFI) agreements between the PFI contractor and the relevant Local Authority. These properties are not included on the Trust's balance sheet. However, The Trust is subject to secondary agreements with the relevant Local Authority which requires the Trust to make annual contributions towards facilities management. At 31 August 2022, the total of future minimum commitments under such agreements were as follows:

	2022 £'000	2021 £'000
<b>Amounts payable:</b>		
Within 1 year	5,129	4,945
Between 1 and 5 years	15,387	14,836
After more than 5 years	17,084	21,617
<b>Total commitment</b>	<b>37,600</b>	<b>41,398</b>

### 23. Related party transactions

Recognising that some members of the Trust's Board of Trustees also represent other local public, not for profit and/or private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Trustees / Member	Declaration of interest for The Kemnal Academies Trust	Relationship	Commercial value per annum
Dr Karen Roberts (Chief Executive Officer and Trustee)	Ms D Roberts - School Health Coordinator at Rainham School for Girls	Sister	Standard terms of employment
Quentin Roper (Member)	Ethos School Improvement Limited	Director	£260.40

Other related party transactions are disclosed within note 10 to the financial statements.

## **Notes to the financial statements 31 August 2022**

### **24. Agency arrangements**

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the year ended 31 August 2022, the Trust received £100,560 (2021: £122,302) and disbursed £68,616 (2021: £79,351) from the fund. An amount of £31,944 (2021: £185,209) is included in other creditors relating to undistributed funds.

Alongside bursaries, the Trust distributed laptops to students as an agent for the DfE. In the year ended 31 August 2022, the Trust ordered 94 laptops (2021 - 330), which were paid for by the DfE at an estimated cost of £16,450 (2021: £57,750).

### **25. Contingent liability**

As at 31 August 2022, there is a dispute with the Local Authority and Debden Park High School around historical utilities costs relating to the PFI agreement. TKAT have consulted their advisors, in order to reach a resolution. The liability cannot be quantified.

### **26. Contingent asset**

As at 31 August 2022, TKAT had received authorisation to sell a property at Heybridge Primary Academy. The value of the property is estimated at £385,000. This is likely to occur in 2022/23.