

**Company Registration Number: 07542155 (England & Wales)**

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**For the year ended 31 August 2019**



**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

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**The Tenax Schools Trust**  
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**Reference and Administrative Details**

**Members**

Lady (Jacqueline) Evans  
Lord Bishop of Rochester (currently The Right Reverend James Langstaff)  
Archdeacon of Tonbridge (currently The Venerable Julie Conalty)  
Area Dean of Tunbridge Wells (currently Reverend Douglas Wren)  
The Chichester Diocesan Board of Education (currently represented by Reverend  
Dr Edward Dowler, Archdeacon of Hastings)

**Trustees**

Mr Ian Bauckham CBE, CEO  
Mr Matthew Bedford<sup>1</sup>  
Lady (Jacqueline) Evans, Chair<sup>2,4,5</sup>  
Mr Andrew Cunningham (resigned 11 July 2019)<sup>3,4</sup>  
Mr Trevor Cristin (appointed 10 January 2019)<sup>5</sup>  
Mr Simon Curtis<sup>5</sup>  
Mr David Godfrey<sup>1,3</sup>  
Mrs Gillian Hargreaves (appointed 28 November 2019)  
Canon Dr (Kathleen) Ann Holt OBE (resigned 28 September 2018)<sup>3,5</sup>  
Mr David Ralph JP<sup>1,3,4</sup>  
Ms Cherie Sargent<sup>4,5</sup>  
Mr James Shaw Hamilton<sup>3</sup>  
Mrs Kate York (retired 18 August 2019)

- <sup>1</sup> Member of Finance & Audit Committee
- <sup>2</sup> Member of Finance & Audit Committee (Audit only)
- <sup>3</sup> Members of SCITT Governance Committee
- <sup>4</sup> Members of Pay & HR Committee
- <sup>5</sup> Member of Education Committee

**Company registered number**

07542155

**Company name**

The Tenax Schools Trust

**Principal and registered office**

Bennett Memorial Diocesan School, Culverden Down, Tunbridge Wells, Kent, TN4 9SH

**Company secretary**

Mrs Catherine Dottridge

**Chief executive officer**

Mr Ian Bauckham CBE

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**Reference and Administrative Details (continued)**  
**For the year ended 31 August 2019**

**Executive group**

Mr Ian Bauckham, Chief Executive Officer/Accounting Officer  
Mrs Catherine Dottridge, Chief Financial Officer  
Mrs Rachel Green, Primary Lead Headteacher  
Mr Jon Sparke, Secondary Headteacher

**Independent auditors**

Kreston Reeves LLP, Statutory Auditor, Chartered Accountants, 37 St Margaret's Street, Canterbury, Kent, CT1 2TU

**Solicitors**

Lee Bolton Monier Williams, 1 The Sanctuary, Westminster, London, SW1P 3JT

Stone King LLP, 91 Charterhouse Street, London, EC1M 6HR

**Bankers**

Lloyds Bank plc, 82 Mount Pleasant Road, Tunbridge Wells, TN1 1RP

**Headteachers**

Mr Matthew Clark (West Malling CE Primary School)  
Mrs Jane Mallon (Head of School, Brenchley & Matfield CE Primary School)  
Mrs Tina Holditch (Leybourne Ss Peter and Paul CE Primary School)  
Mr Jon Sparke (Bennett Memorial Diocesan Secondary School)  
Mrs Jacqueline Zadeh (Jarvis Brook Primary School)  
Mrs Donna Weeks (Bishop Chavasse CE Primary School)  
Mrs Sacha Strand (Sir Henry Fermor CE Primary School)  
Mr Christopher Blackburn (Fordcombe CE Primary School)

**The Tenax Schools Trust**  
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**Trustees' Report**  
**For the year ended 31 August 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Tenax Schools Trust is a Church of England Multi Academy Trust that exists to provide outstanding education in both primary and secondary schools in Kent and East Sussex. The Trust had a combined number of pupils of roll of 3,089 as at census date October 2019.

<b>School Name</b>	<b>No on roll – Census Oct 2019</b>	
Bennett Memorial Diocesan Secondary School	1,711	Founding School - 1 September 2015
Bishop Chavassee CE Primary School	158	New Free School - opened 1 September 2017
Brenchley & Matfield CE Primary School	177	Converted 1 May 2016
Jarvis Brook Primary School	144*	Converted 1 March 2017
Leybourne Ss Peter and Paul CE Primary School	214	Converted 1 March 2017
Sir Henry Fermor CE Primary School	378	Converted 1 April 2016
West Malling CE Primary School	210	Joined 1 September 2017
Fordcombe CE Primary School	97	Joined 1 October 2018

\*Plus a further 22 pupils in the pre-school

The Trust also includes:

- The Altius Teaching School Alliance, for which Bennett Memorial Diocesan is the designated Teaching School
- The Teach Kent & Sussex SCITT (School Centred Initial Teacher Training)

**Structure, governance and management**

**a. Constitution**

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Articles of Association is the primary governing document of the Academy Trust.

The Trustees of The Tenax Schools Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Tenax Schools Trust.

Details of the 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.

**b. Members' liability**

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

**The Tenax Schools Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2019**

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

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

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association and its Governance Plan. The members of the Tenax Schools Trust have appointed 10 trustees.

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

New Trustees receive an induction and all Trustees partake in an annual programme of training and development.

**e. Organisational structure**

Our governance structure and arrangements, including roles and responsibilities, are set out in our Governance Plan. The Board is accountable for all aspects of the Trust's work and monitors the performance of the schools through full Board of Trustees meetings held at least six times per year.

There are two committees of the Board of Trustees for monitoring the financial and educational performance: The Finance and Audit Committee and the Standards Committee (to be known as Education Committee from 1st September 2019). Each has a Terms of Reference, including details of delegation where applicable, and which is reviewed annually by the Board of Trustees.

The Finance and Audit Committee has the strategic oversight of all matters related to Audit, Finance & Capital Assets. The Committee seeks to: monitor internal scrutiny and the delivering of objectives, provide independent assurance over the suitability and compliance of financial systems and operational controls, and ensure that the Trust is operating within the Funding Agreement and in line with the Academies Financial Handbook. The Committee enables more detailed consideration for ensuring sound management of finances and capital assets, including proper planning, monitoring and probity.

The Education Committee acts as a scrutiny committee to assist the Board in discharging its standards related accountabilities. The role of this Committee is to ensure annual school improvement plans contain appropriately challenging targets on achievement and attendance for each school, to test the reliability and validity of monitoring information on end of Key Stage pupil performance. Where necessary to prevent underperformance it challenges headteachers, via the CEO, to propose and implement interventions and improvements, or challenges LGBs to discharge their responsibilities on standards more effectively.

In addition there is a Pay and HR Committee and further committees for specific purposes.

Each school in the Trust has a local governing body (LGB) which is accountable to the Board of Trustees. This will comprise in each case: The headteacher (ex officio), one further elected staff local governor (term: 3 years), two elected parent governors (term: 3 years); five or more governors appointed by the Trust Board (who may include trustees or employees from other schools in the trust selected on the basis of their skills or professional experience), each for a term of 3 years. The Board of Trustees may agree to co-opt one or more further local governors to address skills gaps, providing that governors appointed by the Trust Board continue to hold a majority of at least one on the LGB. The chair of each LGB is appointed by the Trust Board.

The CEO is, with the headteacher of the individual school, responsible for the overall leadership and management of the school. Each school has a leadership management team who are responsible for operational matters relating to curriculum, teaching, learning, student attainment, achievement, broader development, welfare, recruitment and finance.

The CEO is the Accounting Officer for the Trust.

**The Tenax Schools Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2019**

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

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

The Board of Trustees annually review and agree a Pay Policy for the Trust with regards to setting key management personnel pay. All arrangements for setting pay and remuneration are overseen by the Trust's Pay & HR Committee with pay decisions determined on the basis of evidence supporting performance outcomes.

**g. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	4

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	1
<b>Percentage of pay bill spent on facility time</b>	<b>£</b>
Total cost of facility time	57,004
Total pay bill	10,754,179
Percentage of total pay bill spent on facility time	1 %

**Paid trade union activities**

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

There are no related parties which either control or significantly influence the decisions and operations of the trust.

Bennett Memorial Diocesan School is fortunate enough to have both parental, past students and Church support; historically this led to the setting up of a charitable trust; "The Bennett Memorial Diocesan School Charity" which enable gifts to be given tax effectively to the charity; enabling the trustees to make grants to the school or others as appropriate in support of the school in the widest possible sense. The Trust is run by independent Trustees (headteacher, 1 nominated by the School Leadership Team and 3 appointed by the existing trustees) who receive bids from the school to fund particular projects or works. The charity is registered with the Charity Commission for England & Wales, to whom it reports.

**i. Trustees' indemnities**

Trustees (Directors) benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

**The Tenax Schools Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2019**

**Objectives and activities**

**a. Objects and aims**

The Trust's object is to provide outstanding education in both primary and secondary schools in Kent and East Sussex. It offers a broad and balanced curriculum with the aim of raising the education standards of its pupils with underpinning ethical and personal development principles and with particular emphasis on teaching about Christian values, beliefs and traditions. It aims to provide value for money for the funds expended; to comply with all appropriate statutory and curriculum requirements; and to conduct business in accordance with the highest standards of integrity, probity, and openness.

**b. Objectives, strategies and activities**

Key objectives and activities are identified in the annual strategic plan and are informed by the significant challenges and opportunities arising from national developments in education policy and funding. These include:

- Tenax is a Church of England Trust with Christian values and principles at its heart.
- Tenax serves children of all ages and is centred in Kent and East Sussex.
- We have a mission to serve the wider community and are open to all schools which share our values and aspirations. We seek to comprise a mix of free schools, converter and sponsored academies.
- We expect high academic achievement for all through expert evidence-informed pedagogy and an appropriately challenging knowledge-based curriculum. We emphasise character development through and beyond the taught curriculum. We aspire to continue a national reputation for excellence.
- As a Teaching School trust, Tenax has a commitment to the professional development of all staff; as a SCITT, it has a commitment to the formation of new teachers and leaders both for the Trust and the wider system.
- While our Church of England schools place particular emphasis on teaching children and young people about Christian values, beliefs and traditions, all of our schools subscribe to our underpinning educational, ethical and personal development principles.
- We value diversity and will preserve the distinctive local character of each school. We welcome pupils and families from all backgrounds and from all faiths and none.

**c. Public benefit**

The principal public benefit arising from the Trust's charitable activities is the educational outcomes in terms of results and personal and faith development for the students educated at the schools operated by the Academy Trust. Both principles of public benefit identified on the Charity Commission website have been met: the benefits are identifiable in terms of educational outcome, it is clear what they are (for example examination results), they are related to the aims, and there is no identifiable detriment.

On the second principle, the beneficiaries are appropriate to the aims, in that the beneficiaries are pupils living in the locality of the Trust's schools; access to the public benefit of education is not restricted by ability to pay for it, no fees are charged for core educational activities, and the Trust has a wide ranging grants and concessions programme to enable those in poverty to take part in supplementary activities. As a result, children disadvantaged circumstances are able to benefit fully from the education the Trust offers. There are many practical examples of pupils from disadvantaged backgrounds who attended Trust schools and who have achieved excellent outcomes.

The Trustees have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission, including the guidance 'Public benefit: running a charity (PB2)'. in exercising their powers and duties.

**The Tenax Schools Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2019**

**Objectives and activities (continued)**

**d. Equal Opportunities**

The Board of Trustees recognise that equal opportunities should be an integral part of good practice within the work place. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the needs and contribution of all people are fully valued.

**e. Disabled persons**

All schools in the Trust have provision for disabled persons. The policy of the Trust is to promote the recruitment and retention of all students and employees with disabilities. Each school does this by having an Accessibility Plan, which includes adapting the physical environment, making support resources available and through training and development.

**Strategic report**

**Achievements and performance**

2018/19 was a very successful year for Tenax and the pupils in our schools.

**Student outcomes - Secondary**

Academic outcomes at Bennett Memorial were exceptionally strong in 2019, especially at GCSE. The headlines are as follows:

- At GCSE exceptional overall achievement is demonstrated by indicative Progress 8 score of +0.89 (the national average is -0.03). This was achieved with a challenging curriculum, as indicated by the very high EBacc entry percentage of 82.1%, and places the school statistically 'well above average' for progress in the Department for Education's published performance tables.
- 88% achieved a standard pass in GCSE English, 86% a standard pass in GCSE mathematics
- 81% of students achieved 'standard' GCSE passes at grade 4 or above in both English and mathematics.
- 56.4% of students achieved the 'strong pass' threshold achieving grade 5 and above in both English and mathematics. 75% achieved a strong pass in English and 67% in mathematics
- 30% of the GCSE cohort achieved 5 or more 9-7 (A\*/-A) grades and 75% achieved 5 or more grades 9-5 (A\*- B)
- The school's Attainment 8 score is 54.21 points, which means students achieved an average of grade 5+ (B) in their subjects
- A level results were very strong for the school with A\*-B, 52% A\*-C at 79%, and 99% A\*-E.

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**Trustees' Report (continued)**  
**For the year ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

Student outcomes - Primary

The table below shows the strong performance of Tenax's primary schools in headline outcomes in Year 1 Phonics and KS2 Reading and Mathematics in 2019. Where there are areas of relative underperformance in individual cases robust action is being taken to address any shortfalls. West Malling school has a unit for children with learning difficulties where places are directly commissioned by the Local Authority. It should also be noted that in some schools the cohort size represented by these figures is very small.

	Percentage passing the Year 1 Phonics test	Percentage reaching Age Related Expectations in Key Stage 2 Reading	Percentage reaching Age Related Expectations in Key Stage 2 Mathematics
National 2019	82	73	79
Bishop Chavassee Primary School	91	n/a	n/a
Brenchley and Matfield CE Primary School	70	74	70
Fordcombe CE Primary School	67	80	100
Jarvis Brook Primary School	73	71	89
Leybourne Ss Peter and Paul CE Primary School	87	81	84
Sir Henry Fermor CE Primary School	88	74	77
(excl SEND unit) West Malling CE Primary School	80	89	75
(incl SEND unit) West Malling CE Primary	73	87	68

**Key performance indicators**

The Board of Trustees have identified that the following are the key performance indicators for the Trust which are tracked and monitored through standard monitoring reports:

- School performance and quality of education as judged by Ofsted
- Latest performance outcomes – in line or above national expectations
- School improvement targets met or exceeded
- Pupil attendance figures
- Percentage of income received through General Annual Grant (GAG) spent on total staff costs – aim for 85%
- Pupil numbers (leading directly to ESFA funding level) – aim to reach full capacity
- Financial stability – aim for income to match expenditure each year with sufficient cash reserves

The Board of Trustees have been pleased that expectations for all key performance indicators listed above have been successfully met during the year.

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**Trustees' Report (continued)**  
**For the year ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**a. 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 they continue 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 accounting policies. Although there has been a net deficit in funds during the year this is mainly due to actuarial gains/(losses) on defined benefit pension schemes and as such the Board of Trustees continue to adopt the going concern basis.

**The Tenax Schools Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Review of activities**

During this year the Trust grew from seven to eight schools: Fordcombe CE Primary School joined the Trust on 1st October 2018, as a converted academy.

In addition an Academy Order has been received for another local primary school to join the Trust.

The SCITT finished its second operational year successfully. It operated within budget, and all 28 newly qualified primary and secondary teachers secured jobs locally. 42 new trainees have begun their training in September 2019 which represents continued growth of this SCITT. The SCITT received part 1 of its two part Ofsted inspection in the summer term of 2019 and part 2 in the autumn term of 2019 and the judgement, not published at the time of this report, is expected to be very positive.

In February 2019 Sir Henry Fermor CE Primary School received a Section 5 Ofsted inspection. Fermor was a fast track sponsored academy when it joined the Trust and was graded as 'requiring improvement'. It has been the focus on intensive improvement work and in the 2019 inspection was judged 'good' in all categories. This is the first time in a decade the school has been graded 'good' and this represents a substantial achievement for the Trust and the school's leadership and staff.

In addition, Brenchley and Matfield CE Primary School received a Section 8 Ofsted inspection in November 2018 at which it was judged that the school continued to be 'good'. In October 2019 Jarvis Brook Primary School received an Ofsted Section 8 inspection and the result is that the school continues to be good.

The Trust and its Teaching School Alliance is completing the leadership of two large DfE Strategic School Improvement Fund grants for improving secondary and primary mathematics in local schools. The secondary project has now been completed and has been rated 'green' (successful) by the DfE.

The Trust, in collaboration with other schools and organisations, continues to be a licensee and strategic partner in the operation of two National Professional Qualifications: the National Professional Qualifications for Headship and Executive Leadership, respectively. Recruitment to these programmes continues to be strong.

Our CEO continues to be recognised as a respected leader of education, and this year advised the DfE on a number of areas, including Relationships and Sex Education (RSE) and PSHE, the implementation of the EBacc, and the implementation of Teaching School Hubs and the reform of National Leaders of Education. He continues to serve on the Boards of Ofqual and NFER.

The past year has seen the Trust continue to develop in terms of all aspects of business and financial management. Financial processes, controls and reporting formats are at a sector leading standard and have been successfully embedded. Wider central support services have been further strengthened including HR and project management.

We have enhanced our governance arrangements during the year too: including bespoke training delivered for both Trustees and Governors; strengthened the Board's work on risk control and mitigation; produced standard monitoring reports, templates and guidance notes in key areas and a self evaluation for the Board and LGBs. We have also strengthened the Trust Board with the appointment of two new effective and experienced trustees.

**The Tenax Schools Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2019**

**Strategic report (continued)**

**Financial review**

**a. Reserves policy**

The Finance & Audit Committee considers the maintenance of a minimum working reserve in order to minimise any financial risks facing the Trust, such as delays between spending and receipt of grants or unexpected emergencies, and:

- Regularly reviews the level of reserves and the nature of income and expenditure streams and the need to match income with commitments
- Discloses the reserve funds for each school, with individual schools to normally spend these as determined by the school and CFO
- Allows a surplus balance brought forward into the Trust by a joining school to be normally deployed at discretion of the school in agreement with the CFO
- Ensures schools are maintaining balanced 3 year budgets where in year income matches expenditure
- Maintains the appropriate level of free reserves at Trust level currently approved by Trustees to be between 2-5% of annual revenue income (to be reviewed and agreed annually)
- Considers the set aside of funds for significant projects that cannot be met by future income alone
- Allows sinking funds for specific regeneration projects, for example the allweather pitch, to fall outside of the general reserves balance and agree these annually by the Finance & Audit Committee with level of contributions derived from associated trading profits.

At 31 August 2019, total funds comprised £10,178,977 consisting of unrestricted funds of £1,976,304 and a restricted fund deficit of £4,111,187. At 31 August 2019 the total funds also included restricted fixed asset funds of £12,313,860.

The in year surplus before actuarial losses on defined benefit pension scheme of £578,414 includes Condition Improvement Funding for various capital projects and will be partially reversed in future periods when the depreciation of the associated assets is charged to the Statement of Financial Activities.

The unrestricted funds and restricted fixed asset funds are held for future improvements and capital projects.

The deficit of £4,263,000 included in the restricted funds relates to the trust's Local Government Pension Scheme fund liability. This deficit is not an immediate liability and so funds would not have to be made available to cover this balance at short notice. The deficit on the pension reserve relates to the non teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 26. The deficit can be met in the longer term from any combination of increased employer and employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy Trust, at the discretion of the Trustees. The aim of the Trustees is to increase this reserve to meet future working capital requirements

**The Tenax Schools Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2019**

**Strategic report (continued)**

**Financial review (continued)**

**b. Investment policy**

The Finance & Audit Committee considers the management of the Trust's funds bearing in mind the responsibilities that come with the receipt of central government funding and:

- Regularly monitors cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments
- Maintains a working balance to respond to unexpected financial demands
- Ensures schools' accounts are not overdrawn
- Keeps the automatic transfer facility for current accounts in operation to maximise interest in deposit accounts bearing higher interest rate
- Reviews periodically interest rates and compares with other investment opportunities

**c. Principal risks and uncertainties**

The Trust practices through its Board, namely the Board of Trustees and the constituted sub committees, robust risk management principles. It formally reviews its risk management regularly and considers whether risks are appropriately assessed and whether the mitigation strategies identified for each is proportionate to the gravity of the risk. Risks are assessed, graded and prioritised in terms of their likelihood and their seriousness, should they occur.

The Board has a risk register which is presented and considered regularly at Board meetings. Key risks and associated controls in place are set out below:

Recruitment and Retention of key staff: Trust fails to keep/attract staff in critical roles needed to meet our objectives/strategy. Mitigated by identification/mapping of key roles and critical individuals; key person emergency coverage plans and talent pipeline in place.

Failure to comply with statutory safeguarding requirements. Mitigated by controls in place including – defined roles and responsibilities for named safeguarding governor and Trustee; Designated Safeguarding Leads and nominated governors required to complete at least an annual report to the LGB; and the safeguarding Trustee provides an annual report to the Trust Board.

Insufficient funds to deliver the services to the appropriate level. Mitigated by robust financial planning and budgeting systems to match resources to priorities, alertness to alternative grant and bidding income streams or grants; cautious budgeting to ensure future income not overestimated; discipline and restraint in pay policy to ensure value for money in staff salary costs; scale benefits, shared resourcing and efficiencies achieved through benefits of Trust working.

Failure in Corporate Governance. Mitigated by clear terms of reference established for all committees; clear accountabilities set and understood; whistleblowing and conflict of interest policies regularly reviewed; training/upskilling/induction programme in place for new Trustees and governors; regular review of governance effectiveness, openness to constructive (external) critique.

IT breach resulting in confidential data theft or corruption. Mitigated by disaster recovery plans in place, and the comprehensive data protection review and training programme carried out during the last year, including updated suite of policies and processes in line with GDPR.

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**Trustees' Report (continued)**  
**For the year ended 31 August 2019**

**Strategic report (continued)**

**Financial review (continued)**

Material event occurs within one of our schools that compromises pupil, staff or public safety. Mitigated by monitoring compliance with all Safeguarding and Health & Safety statutory requirements to reduce likelihood of material event; critical incident plans in place to ensure swift response to material event, limiting scale of impact and enabling normal operations to be resumed as quickly as possible.

The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective to not run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board of Trustees collectively, whilst more minor risks are dealt with by senior executive officers.

**Fundraising**

The Trust recognises the vital contribution made by its supporters, with voluntary donations accounting for approximately 1.15% of the Trust's incoming resources. Without this support it would not be possible for the Trust to continue to undertake its full and enriched level of activity, which would have an adverse impact on the children that we seek to provide for.

We believe that giving to charity should be a positive experience, and to help ensure that this is the case the Trust has put in place a policy that seeks to ensure that the highest possible standards of fundraising practice are being adopted. This policy acknowledges the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the Trust. The Trust complies with all aspects of the Fundraising Regulator's Code of Practice. All fundraising activity is carried out within the Trust and it does not utilise the services of any external commercial fundraisers.

The Trust welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

**Plans for future periods**

The strategic plan for the Trust envisages further growth in converter and sponsored academies, as well as new schools and expansions where demand for places exceeds current supply or where high quality provision is absent or insufficient. The Trust will continue to grow sustainably and will continue to make the case locally and nationally for Church of England schools, whilst also fulfilling its mission to incorporate non denominational schools which share the Trust's values and approach to education. The Trust aims to articulate its Church of England underpinnings in all that it does.

The Trust will continue to ensure that in all schools the curriculum is rigorously designed and sequenced so as to ensure that all pupils are able to access the cultural capital intended for mediation, and that evidence-informed and effective pedagogy is at the heart of teacher practice and professional development.

As part of the Altius Teaching School Alliance, the Trust will continue to develop the work and contribution of the Trust to the mission of Teaching Schools to improve the quality of education received by pupils in schools within its ambit.

We will actively promote teacher development opportunities through the Trust as well as Altius and our SCITT, Teach Kent and Sussex.

**The Tenax Schools Trust**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2019**

**Plans for future periods (continued)**

The Trust will continue to communicate its approach to the development of resilience and character in young people both through the taught curriculum, by explicit understanding on the part of teachers on how to achieve this, and through planned activities and opportunities beyond the taught curriculum.

Finally, we will continue to make a distinctive and high profile contribution to education at national level through participation in national debate, review work and support for school improvement and national initiatives and projects.

All of these link to the charitable purposes set out above.

**Employee involvement and employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Staff Code of Conduct
- Health & safety policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

**Auditors**

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 5 December 2019 and signed on its behalf by:



**Lady (Jacqueline) Evans**  
Chair of Trustees

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Governance Statement**

**Scope of responsibility**

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

The 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 agreement between The Tenax Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Ian Bauckham CBE, CEO	6	6
Mr Matthew Bedford	6	6
Mr Andrew Cunningham (resigned 11 July 2019)	4	5
Lady (Jacqueline) Evans, Chair	6	6
Mr Trevor Cristin (appointed 10 January 2019)	3	4
Mr Simon Curtis	6	6
Mr David Godfrey	6	6
Canon Dr (Kathleen) Ann Holt OBE (resigned 28 September 2018)	1	1
Mr David Ralph JP	6	6
Ms Cherie Sargent	5	6
Mr James Shaw Hamilton	6	6
Mrs Kate York (retired 18 August 2019)	5	6

Mrs Catherine Dottridge (CFO) was in attendance 5 of the 6 meetings in the year.

Every committee reviews its role in the light of changes in legislation, responsibilities and accountability annually.

**Governance self-review**

The Trust carries out an annual formal self-evaluation of governance using a tool developed with the Confederation for School Trusts. Highlighting the key areas of responsibility, trustees and governors appraise the effectiveness of structures and processes and key areas for improvement are identified.

The 2018-19 review was overall positive about clarity of roles, attendance at and participation in meetings, strategic leadership of finance, scrutiny and holding to account of executive leaders on safeguarding, educational outcomes and financial compliance, and management of conflicts of interest and related party transactions. It identified some areas where trustees and governors would benefit from additional training in order better to discharge responsibilities, in particular on curriculum, research informed pedagogy and new approaches to initial and on-going teacher training. These were actioned in the school year 2018-19, positively rated by participants and have led to better informed challenge and stronger strategic leadership in these areas.

The Trust is currently commissioning an external review to be carried out in the school year 2019-20.

The Finance and Audit Committee is a sub-committee of the main board of Trustees.

**The Tenax Schools Trust**  
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**Governance Statement (continued)**

**Governance (continued)**

Attendance at the Finance and Audit Committee during the year at meetings was as follows:

Attendee	Meetings attended	Out of a possible
Mr David Ralph JP, Chair of Committee	4	4
Mr Matthew Bedford	4	4
Mr David Godfrey	4	4
Lady (Jacqueline) Evans (audit only)	1	1
Mrs Catherine Dottridge (CFO)*	4	4

\* except when meeting in 'Audit' mode when they were considered in attendance.

Mr Ian Bauckham CBE, CEO (Accounting Officer) was also in attendance at one meeting during the year (Audit meeting).

Mrs Sharon Green (Financial Controller) was also in attendance at three of the four meetings during the year.

The Standards Committee is a sub-committee of the main board of Trustees. This is called the Education Committee from 1 September 2019.

Attendance at the Standards Committee during the year at meetings was as follows:

Attendee	Meetings attended	Out of a possible
Mr Ian Bauckham CBE	3	3
Ms Cherie Sargent, (Chair of Committee)	3	3
Mr Simon Curtis	3	3
Mr Trevor Cristin	2	2
Lady (Jacqueline) Evans	3	3

Mrs Rachel Green (Primary Lead Headteacher) was also in attendance at the three meetings during the year.

The SCITT Governance Committee ensures accountability for the SCITT's leadership against its strategic objectives. It agrees and monitors the SCITT's annual development plan, holds the SCITT to account for meeting its recruitment, retention and successful employment rates and ensures that the leadership of the SCITT across its participating schools is fully fit for purpose in ensuring high quality training, mentoring and effective assessment of all trainees.

Attendance at SCITT Governance Committee meetings in the year was as follows:

Member	Meetings Attended	Out of possible
Mr Andrew Cunningham	2	3
Mr David Godfrey (Chair of Committee)	3	3
Mr David Ralph JP	2	3
Mr James Shaw Hamilton	3	3
Mr Richard Tyson (Director, Teaching School & SCITT)	3	3

Mrs Laura Purser (SCITT Operations Director) was also in attendance at the three meetings during the year.

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Governance Statement (continued)**

**Governance (continued)**

The Pay and HR Committee ensures detailed scrutiny of remuneration matters including Executive and senior management team remuneration, Trust-wide pay awards and policy, pensions arrangements and other human resources matters.

Attendance at Pay and HR Committee meetings in the year was as follows:

Member	Meetings attended	Out of possible
Lady (Jacqueline) Evans	1	1
Mr Andrew Cunningham (Chair of Committee)	1	1
Mr David Ralph JP	1	1
Ms Cherie Sargent	1	1

Mrs Claire Isaacs (HR Director) was also in attendance at the meeting.

**Review of value for money**

As accounting officer, the Chief Executive Officer 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 where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Operating a robust pay and performance management policy which rewards and incentivises effective teachers and does not reward relatively less successful teaching. A designated Pay and HR Committee is in place to annually review and manage implementation of the Trust's Pay Policy.
- Undertaking effective procurement using, where appropriate, competitive tendering, to ensure best value is achieved for contracts and services and obtaining alternative quotes for large scale projects
- Challenging existing contracts and changing suppliers where necessary to ensure value for money for service delivery
- Effective and efficient deployment of staff through regular use of deep dive analysis and benchmarking reviews of staffing structures and costs; and the sharing of resource where possible across schools and activities
- Achieving cost savings and efficiencies through realising scale benefits from growing the Trust

**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 Tenax Schools Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Governance Statement (continued)**

**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**The risk and control framework**

The 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 monthly financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and Audit 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 guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Kreston Reeves LLP as internal auditor.

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

- Testing of payroll systems
- Testing of purchase and procurement
- Testing of income systems
- Testing of bank reconciliations
- Testing of control account reconciliations

On a quarterly basis, the internal auditor reports to the Board of Trustees through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor has delivered the schedule of work as planned and any management actions identified in the areas under review have been followed up.

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Governance Statement (continued)**

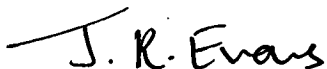
**Review of effectiveness**

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:

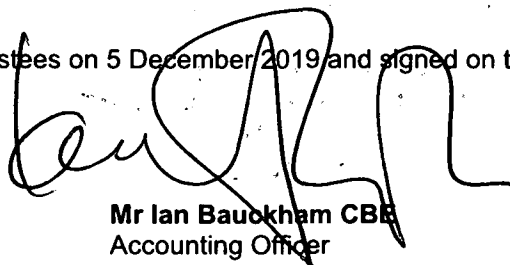
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 5 December 2019 and signed on their behalf by:



**Lady (Jacqueline) Evans**  
Chair of Trustees



**Mr Ian Baukham CBE**  
Accounting Officer

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Statement on Regularity, Propriety and Compliance**

As Accounting Officer of The Tenax Schools Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



**Mr Ian Bauckham CBE**  
Accounting Officer  
Date: 5 December 2019

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Statement of Trustees' responsibilities**  
**For the year ended 31 August 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**Lady (Jacqueline) Evans**  
**Chair of Trustees**  
Date: 5 December 2019

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of The Tenax Schools Trust**

**Opinion**

We have audited the financial statements of The Tenax Schools Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of The Tenax Schools Trust**  
**(continued)**

**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 Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of The Tenax Schools Trust**  
**(continued)**

**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of The Tenax Schools Trust**  
**(continued)**

**Use of our report**

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Kreston Reeves LLP /*

Peter Manser FCA DChA (Senior Statutory Auditor)

for and on behalf of  
**Kreston Reeves LLP**

Statutory Auditor  
Chartered Accountants

Canterbury

6 December 2019

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

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

In accordance with the terms of our engagement letter dated 16 April 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Tenax Schools Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Tenax Schools Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Tenax Schools Trust's funding agreement with the Secretary of State for Education dated 27 October 2015 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to The Tenax Schools Trust and the Education & Skills Funding Agency (continued)**

**Work undertaken**

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Reviewed that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed minutes of Trust Board minutes for declaration of interests
- Reviewed Governance arrangements
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.

**Conclusion**

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

*Kreston Reeves LLP*

**Kreston Reeves LLP**

Reporting Accountant  
Chartered Accountants  
Canterbury

Date: 6 December 2019

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**  
**For the year ended 31 August 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants:						
LGPS pension liability and fixed assets inherited from other Academy Trusts	4	-	-	-	-	(292,319)
Transfer from local authority on conversion	4	21,340	(112,000)	50,000	(40,660)	-
Other donations and capital grants	4	198,238	-	1,429,819	1,628,057	2,403,907
Charitable activities	5	-	13,856,851	-	13,856,851	12,594,159
SCITT	32	-	597,630	-	597,630	443,997
Other trading activities	3	146,464	-	-	146,464	130,794
Investments	7	10,371	53	-	10,424	15,895
Other income	6	839,042	3,400	-	842,442	666,953
<b>Total income</b>		<b>1,215,455</b>	<b>14,345,934</b>	<b>1,479,819</b>	<b>17,041,208</b>	<b>15,963,386</b>
<b>Expenditure on:</b>						
Charitable activities	9	351,528	15,268,217	271,273	15,891,018	14,468,473
SCITT	32	-	571,776	-	571,776	430,862
		-	-	-	-	-
<b>Total expenditure</b>		<b>351,528</b>	<b>15,839,993</b>	<b>271,273</b>	<b>16,462,794</b>	<b>14,899,335</b>
<b>Net income</b>		<b>863,927</b>	<b>(1,494,059)</b>	<b>1,208,546</b>	<b>578,414</b>	<b>1,064,051</b>
Transfers between funds	19	8,731	238,999	(247,730)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>872,658</b>	<b>(1,255,060)</b>	<b>960,816</b>	<b>578,414</b>	<b>1,064,051</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(911,000)	-	(911,000)	808,000
<b>Net movement in funds</b>		<b>872,658</b>	<b>(2,166,060)</b>	<b>960,816</b>	<b>(332,586)</b>	<b>1,872,051</b>

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Statement of financial activities (incorporating income and expenditure account) (continued)**  
**For the year ended 31 August 2019**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>Note</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward	<b>1,103,646</b>	<b>(1,945,127)</b>	<b>11,353,044</b>	<b>10,511,563</b>	8,639,512
Net movement in funds	<b>872,658</b>	<b>(2,166,060)</b>	<b>960,816</b>	<b>(332,586)</b>	1,872,051
<b>Total funds carried forward</b>	<b><u>1,976,304</u></b>	<b><u>(4,111,187)</u></b>	<b><u>12,313,860</u></b>	<b><u>10,178,977</u></b>	<u>10,511,563</u>

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

The notes on pages 32 to 64 form part of these financial statements.

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**  
**Registered number: 07542155**

**Balance Sheet**  
**As at 31 August 2019**


	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	15	12,134,107	10,204,400
<b>Current assets</b>			
Debtors	16	839,202	1,056,937
Cash at bank and in hand		3,119,809	2,723,456
		<u>3,959,011</u>	<u>3,780,393</u>
Creditors: amounts falling due within one year	17	(1,592,250)	(779,828)
<b>Net current assets</b>		<u>14,500,868</u>	<u>13,204,965</u>
<b>Total assets less current liabilities</b>		<u>14,500,868</u>	<u>13,204,965</u>
Creditors: amounts falling due after more than one year	18	(58,891)	(12,402)
<b>Net assets excluding pension liability</b>		<u>14,441,977</u>	<u>13,192,563</u>
Defined benefit pension scheme liability	26	(4,263,000)	(2,681,000)
<b>Total net assets</b>		<u><u>10,178,977</u></u>	<u><u>10,511,563</u></u>

**Funds of the Academy Trust**

**Restricted funds:**

Fixed asset funds	19	12,313,860	11,353,044
Restricted income funds	19	151,813	735,873
Pension reserve	19	(4,263,000)	(2,681,000)
<b>Total restricted funds</b>	19	<u>8,202,673</u>	<u>9,407,917</u>
<b>Unrestricted income funds</b>	19	<u>1,976,304</u>	<u>1,103,646</u>
<b>Total funds</b>		<u><u>10,178,977</u></u>	<u><u>10,511,563</u></u>

The financial statements on pages 28 to 64 were approved by the Trustees and authorised for issue on 5 December 2019 and are signed on their behalf, by:

  
**Lady (Jacqueline) Evans**  
Chair of Trustees

  
**Mr Ian Bauckham CBE**  
Accounting Officer

The notes on pages 32 to 64 form part of these financial statements.

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Statement of Cash Flows**  
**For the year ended 31 August 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	<b>1,033,760</b>	360,421
<b>Cash flows from investing activities</b>	23	<b>(689,396)</b>	(203,083)
<b>Cash flows from financing activities</b>	22	<b>51,989</b>	-
<b>Change in cash and cash equivalents in the year</b>		<b>396,353</b>	157,338
Cash and cash equivalents at the beginning of the year		<b>2,723,456</b>	2,566,118
<b>Cash and cash equivalents at the end of the year</b>	24	<b><u>3,119,809</u></b>	<b><u>2,723,456</u></b>

The notes on pages 32 to 64 form part of these financial statements

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**1. Accounting policies**

The Tenax Schools Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Bennett Memorial Diocesan School, Culverden Down, Tunbridge Wells, Kent, TN4 9SH. The principal activity of the academy trust is to provide a secondary and primary education for pupils that satisfies the requirements of the Education Act 2002.

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.

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The academy trust's functional and presentational currency is Pounds Sterling.

The academy trust's financial statements are presented to the nearest pound.

**1.2 Going concern**

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

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.3 Income**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

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

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

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

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

- **Transfer on conversion**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

Where assets and liabilities are received by the Academy Trust on conversion from Fordcombe CE Primary School to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Transfer of existing academies into the Academy Trust**

In the prior year, the transfer of West Malling Church of England Academy Trust to this Academy Trust involved the transfer of assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.4 Expenditure**

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

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets**

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

*Premises occupied under a licence by church academies*

The Rochester Diocesan Board of Education and Chichester Diocesan Board of Education own the legal titles of land and freehold property for the church academies the trust operate. In these circumstances, the academy trust's rights over the premises does not meet the definition of an asset as the academy trust does not have control over the premises. Accordingly the academy trust does not recognise these premises as a fixed asset on its balance sheet. There are no formal leases in place and the Rochester Diocesan Board of Education and Chichester Diocesan Board of Education do not charge any rent for the use of these properties.

*Premises leased from local authorities*

Land, buildings and playing fields occupied under 125 year leases from a local authority are recognised as a fixed asset in the academy trust balance sheet at fair value.

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

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

Depreciation is provided on the following bases:

Freehold land	- Not depreciated
Long-term leasehold land	- Not depreciated
Long-term leasehold property	- 2% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 33% straight line
Assets under construction	- Not depreciated

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

**1.7 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.8 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.9 Liabilities**

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

**1.10 Provisions**

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

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

**1.11 Taxation**

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

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

**1.12 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.13 Operating leases**

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

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**1. Accounting policies (continued)**

**1.14 Pensions**

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

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

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

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

**1.15 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**2. Critical accounting estimates and areas of judgement (continued)**

**Multi-employer defined benefit pension scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Tangible fixed assets**

The Academy Trust has recognised tangible fixed assets with a carrying value of £12,134,107 at the reporting date (see note 15). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

**Critical areas of judgement:**

**Lease commitments**

The Academy Trust has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the governors to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

**Multi-employer defined benefit pension scheme**

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the governors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 26 for further details.

**Inherited assets from other Academy Trust**

In the prior year, the Academy Trust recognised fixed assets of £90,970 and a deficit of £486,000 relating to the LGPS pension scheme being the estimated fair value of assets and liabilities transferred from another Trust in respect of West Malling Church of England Primary School.

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**3. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Hire of facilities	138,978	<b>138,978</b>	103,548
Other insurance claims	7,486	<b>7,486</b>	27,246
<b>Total 2019</b>	<u>146,464</u>	<u><b>146,464</b></u>	<u>130,794</u>

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

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Transfer from local authority on conversion	21,340	(112,000)	50,000	<b>(40,660)</b>	-
LGPS pension liability and fixed assets inherited from other Academy Trust	-	-	-	-	(292,319)
Donations	198,238	-	-	<b>198,238</b>	795,422
Capital grants	-	-	1,429,819	<b>1,429,819</b>	1,608,485
<b>Total 2019</b>	<u>219,578</u>	<u>(112,000)</u>	<u>1,479,819</u>	<u><b>1,587,397</b></u>	<u>2,111,588</u>
<b>Total 2018</b>	<u>307,035</u>	<u>95,674</u>	<u>1,708,879</u>	<u>2,111,588</u>	

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

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

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	11,969,801	<b>11,969,801</b>	10,977,349
Start up grants	81,250	<b>81,250</b>	90,500
Other DfE/ESFA grants	1,307,961	<b>1,307,961</b>	692,125
	<u>13,359,012</u>	<u><b>13,359,012</b></u>	<u>11,759,974</u>
<b>Other government grants</b>			
Local Authority grants	497,839	<b>497,839</b>	834,185
	<u>13,856,851</u>	<u><b>13,856,851</b></u>	<u>12,594,159</u>
<b>Total 2019</b>	<u><u>13,856,851</u></u>	<u><u><b>13,856,851</b></u></u>	<u><u>12,594,159</u></u>
<b>Total 2018</b>	<u><u>12,594,159</u></u>	<u><u>12,594,159</u></u>	

**6. Other incoming resources**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Contributions towards school trips	514,856	-	<b>514,856</b>	391,526
Contributions towards clubs and educational activities	23,211	-	<b>23,211</b>	40,763
Other incoming resources	300,975	3,400	<b>304,375</b>	234,664
<b>Total 2019</b>	<u><u>839,042</u></u>	<u><u>3,400</u></u>	<u><u><b>842,442</b></u></u>	<u><u>666,953</u></u>
<b>Total 2018</b>	<u><u>666,953</u></u>	<u><u>-</u></u>	<u><u>666,953</u></u>	

**The Tenax Schools Trust**  
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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**7. Investment income**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	10,371	53	10,424	15,895
Total 2018	15,895	-	15,895	

**8. Expenditure**

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
<b>Academy's educational operations</b>					
Direct costs	8,926,281	-	1,669,126	10,595,407	9,432,733
Allocated support costs	2,735,408	1,055,896	1,504,307	5,295,611	5,035,741
SCITT	152,679	-	419,097	571,776	430,862
<b>Total 2019</b>	<b>11,814,368</b>	<b>1,055,896</b>	<b>3,592,530</b>	<b>16,462,794</b>	<b>14,899,336</b>
Total 2018	10,751,538	1,026,947	3,120,851	14,899,336	

**9. Analysis of expenditure by activities**

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	10,595,407	5,295,611	15,891,018	14,468,474
Total 2018	9,432,733	5,035,741	14,468,474	

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Staff costs	<b>8,926,281</b>	8,020,593
Educational supplies and services	<b>1,096,864</b>	1,151,394
Examination fees	<b>161,280</b>	148,486
Educational consultancy*	<b>350,579</b>	51,877
Staff development and training	<b>29,193</b>	21,152
Technology costs	<b>16,667</b>	21,606
Other direct costs	<b>14,543</b>	17,625
	<b><u>10,595,407</u></b>	<b><u>9,432,733</u></b>

\*Educational consultancy in the current year reflects the delivery of school improvement activities to other local schools from the awarded Strategic School Improvement grants.

**The Tenax Schools Trust**  
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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
FRS102 pension finance expense	70,000	73,000
Staff costs	2,735,408	2,623,719
Depreciation	271,273	178,962
Technology costs	158,935	117,946
Recruitment and support	23,800	34,324
Maintenance of premises and equipment	501,384	325,248
Cleaning	319,814	275,343
Rates and water	258,645	242,844
Energy costs	226,461	187,680
Insurance	88,854	75,012
Security and transport	51,237	49,574
Catering	273,459	232,205
Governance costs	57,206	117,212
Other support costs	259,135	252,954
Roof repairs	-	249,718
	<b>5,295,611</b>	<b>5,035,741</b>

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

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<b>2018 £</b>
Operating lease rentals	27,589	25,490
Depreciation of tangible fixed assets	271,273	178,963
Fees paid to auditors for:		
- audit	21,500	16,000
- other services	4,250	4,700

**The Tenax Schools Trust**  
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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	8,904,834	8,000,575
Social security costs	867,182	799,688
Pension costs	1,934,502	1,784,716
	<u>11,706,518</u>	<u>10,584,979</u>
Agency staff costs	107,850	166,559
	<u><u>11,814,368</u></u>	<u><u>10,751,538</u></u>

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	165	161
Administration and support	230	252
Management	21	22
	<u>416</u>	<u>435</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	145	136
Administration and support	123	112
Management	21	21
	<u>289</u>	<u>269</u>

**The Tenax Schools Trust**  
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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**11. Staff costs (continued)**

**c. Higher paid staff**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>4</b>	<b>3</b>
In the band £70,001 - £80,000	<b>2</b>	<b>2</b>
In the band £80,001 - £90,000	<b>1</b>	<b>2</b>
In the band £90,001 - £100,000	<b>1</b>	<b>-</b>
In the band £120,001 - £130,000	<b>1</b>	<b>1</b>

The above employees participated in the Teachers' Pension scheme and the Local Government Pension Scheme. Contributions during the year ended 31 August 2019 amounted to £102,784 towards the Teachers' Pension Scheme (2018: £95,983) and £16,800 towards the Local Government Pension Scheme (2018: £16,000).

**d. Key management personnel**

The key management personnel of the Academy Trust comprise the Executive Group. The total salaries received by key management personnel for their services to the Academy Trust was £377,759 (2018: £366,334). Employer pension contributions were a total of £65,393 (2018: £55,135) and employer national insurance contributions were a total of £47,586 (2018: £54,019).

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**12. Central services**

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

- Educational support services
- Finance and administrative support
- Others as arising

The Academy Trust charges for these services on the following basis:

A flat percentage of 3.5% of General Annual Grant income and 5% for Bishop Chavassee CE Primary School to reflect the additional central support provided during the school's transitional opening phase.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Bennett Memorial Diocesan School	239,030	222,552
Bishop Chavassee CE Primary School	24,148	8,431
Brenchley and Matfield CE Primary School	21,478	22,110
Fordcombe CE Primary School	13,662	-
Jarvis Brook Primary School	23,925	24,982
Leybourne Ss Peter and Paul CE Primary School	25,371	25,623
SCITT	9,717	-
Sir Henry Fermor CE Primary School	44,112	44,047
West Malling CE Primary School	27,184	27,335
<b>Total</b>	<b>428,627</b>	<b>375,080</b>

**13. Trustees' remuneration and expenses**

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

	2019 £	2018 £
Mr Ian Bauckham CBE, CEO Remuneration	125,000 -	125,000 -
	130,000	130,000
Pension contributions paid	20,000 -	15,000 -
	25,000	20,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

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**14. Trustees' and Officers' insurance**

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

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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**15. Tangible fixed assets**

	Freehold land and property £	Long-term leasehold land and property £	Assets under construction £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>							
At 1 September 2018	4,019,000	6,154,135	-	88,372	536,663	-	10,798,170
Additions	-	1,928,930	103,231	63,485	51,345	3,988	2,150,979
Inherited assets	-	50,000	-	-	-	-	50,000
At 31 August 2019	4,019,000	8,133,065	103,231	151,857	588,008	3,988	12,999,149
<b>Depreciation</b>							
At 1 September 2018	-	135,231	-	74,630	383,909	-	593,770
Charge for the year	-	144,093	-	16,941	108,909	1,329	271,272
At 31 August 2019	-	279,324	-	91,571	492,818	1,329	865,042
<b>Net book value</b>							
At 31 August 2019	4,019,000	7,853,741	103,231	60,286	95,190	2,659	12,134,107
At 31 August 2018	4,019,000	6,018,904	-	13,742	152,754	-	10,204,400

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**Notes to the Financial Statements**  
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**15. Tangible fixed assets (continued)**

During the year, the Academy Trust recognised in land of £50,000 comprising a 125 year lease granted from Kent County Council in respect of land at Fordcombe Church of England Primary School at 1 October 2018.

**16. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	8,315	10,251
VAT recoverable	238,754	269,128
Prepayments and accrued income	592,133	777,558
	<u>839,202</u>	<u>1,056,937</u>

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

	2019 £	2018 £
Other loans	8,421	2,921
Trade creditors	110,591	56,029
Other taxation and social security	183,755	136,710
Other creditors	133,797	156,845
Accruals and deferred income	1,155,686	427,323
	<u>1,592,250</u>	<u>779,828</u>

	2019 £	2018 £
Deferred income at 1 September 2018	224,953	183,739
Resources deferred during the year	140,789	224,953
Amounts released from previous periods	(224,953)	(183,739)
	<u>140,789</u>	<u>224,953</u>

At the balance sheet date the Academy Trust was holding funds received in advance of the 2019/20 financial year in respect of free school meals and contributions towards trips and other activities.

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other loans	<b>58,891</b>	<b>12,402</b>

Included in other loans is a long term, interest free Salix loan from Kent County Council to Leybourne Ss Peter and Paul CE Primary School.

Included in other loans are long term CIF loans in Bennett Memorial Diocesan School and Brenchley and Matfield CE Primary School.

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Payable or repayable by instalments	<b>27,500</b>	<b>-</b>
	<b>27,500</b>	<b>-</b>

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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**19. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds - all funds	1,103,646	1,215,455	(351,528)	8,731	-	1,976,304
<b>Restricted general funds</b>						
General Annual Grant (GAG)	407,486	12,051,051	(12,888,156)	464,075	-	34,456
Other DfE/ESFA grants	80,694	1,307,961	(1,307,961)	(26,868)	-	53,826
Other Government grants	234,557	497,839	(503,489)	(199,000)	-	29,907
SCITT	13,136	601,083	(581,387)	792	-	33,624
Pension reserve	(2,681,000)	(112,000)	(559,000)	-	(911,000)	(4,263,000)
	<u>(1,945,127)</u>	<u>14,345,934</u>	<u>(15,839,993)</u>	<u>238,999</u>	<u>(911,000)</u>	<u>(4,111,187)</u>
<b>Restricted fixed asset funds</b>						
General Fixed Asset Fund	10,204,400	50,000	(271,273)	2,150,980	-	12,134,107
DfE/ESFA capital grants	1,148,644	1,429,819	-	(2,398,710)	-	179,753
	<u>11,353,044</u>	<u>1,479,819</u>	<u>(271,273)</u>	<u>(247,730)</u>	<u>-</u>	<u>12,313,860</u>
<b>Total Restricted funds</b>	<u>9,407,917</u>	<u>15,825,753</u>	<u>(16,111,266)</u>	<u>(8,731)</u>	<u>(911,000)</u>	<u>8,202,673</u>
<b>Total funds</b>	<u><u>10,511,563</u></u>	<u><u>17,041,208</u></u>	<u><u>(16,462,794)</u></u>	<u><u>-</u></u>	<u><u>(911,000)</u></u>	<u><u>10,178,977</u></u>

**The Tenax Schools Trust**  
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**Notes to the Financial Statements**  
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**19. Statement of funds (continued)**

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

Unrestricted funds are applied to the general work of the Academy Trust to support activities inside and outside the curriculum.

GAG represents funds to be used to cover the normal running costs of the Academy Trust.

Other DfE/ESFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

DfE/ESFA capital grants funds is to provide the Academy Trust with its own capital money to address improvements to buildings and other facilities. The balance on the fund represents unspent capital grant money to be spent in the first school term of 2019/2020.

The SCITT processes bursary payments for trainees and receives tuition funding payments.

The Restricted fixed asset fund represents the leasehold land and buildings and other assets which were donated upon conversion to academy status, the value of fixed assets purchased since conversion including depreciation to the balance sheet date.

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

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Bennett Memorial Diocesan School*	1,263,056	960,171
Bishop Chavassee CE Primary School	87,925	49,491
Brenchley and matfield CE Primary School	159,905	173,991
Fordcombe CE Primary School	10,323	-
Jarvis Brook Primary School	215,341	174,207
Leybourne Ss Peter and Paul CE Primary School	44,311	9,050
SCITT	33,624	-
Sir Henry Fermor CE Primary School	140,199	87,480
Tenax Schools Trust**	83,733	291,730
West Malling CE Primary School	89,700	93,399
Total before fixed asset funds and pension reserve	2,128,117	1,839,519
Restricted fixed asset fund	12,313,860	11,353,044
Pension reserve	(4,263,000)	(2,681,000)
<b>Total</b>	<b>10,178,977</b>	<b>10,511,563</b>

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

\*This includes a designated contribution to KCC for the expansion project, the 3G sinking fund, Condition Improvement Funding and The Altius Teaching School Alliance and remaining strategic school improvement fund for primary mathematics in local schools.

\*\*This includes an academy conversion support grant received for a school to join the Trust and remaining strategic school improvement fund for secondary mathematics in local schools.

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Bennett Memorial Diocesan School	4,980,221	901,051	1,090,112	1,047,882	8,019,266	7,490,241
Bishop Chavassee CE Primary School	306,376	46,631	67,656	241,231	661,894	368,811
Brenchley and matfield CE Primary School	528,482	43,222	79,447	123,626	774,777	769,499
Fordcombe CE Primary School	294,160	64,644	20,668	76,221	455,693	-
Jarvis Brook Primary School	482,894	160,806	40,952	152,081	836,733	860,580
Leybourne Ss Peter and Paul CE Primary School	578,057	119,651	40,348	127,108	865,164	928,865
SCITT	152,679	5,752	77,674	335,671	571,776	430,856
Sir Henry Fermor CE Primary School	1,050,569	119,187	59,333	231,490	1,460,579	1,438,859
Tenax Schools Trust	387,160	751,003	88,755	119,464	1,346,382	1,229,192
West Malling CE Primary School	793,730	152,318	80,546	172,663	1,199,257	1,203,469
<b>Academy Trust</b>	<b>9,554,328</b>	<b>2,364,265</b>	<b>1,645,491</b>	<b>2,627,437</b>	<b>16,191,521</b>	<b>14,720,372</b>

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**Notes to the Financial Statements**  
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**19. Statement of funds (continued)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds - all funds	1,147,193	1,120,677	(683,033)	(481,191)	-	1,103,646
<b>Restricted general funds</b>						
General Annual Grant (GAG)	388,632	11,069,574	(11,657,785)	607,065	-	407,486
Other DfE/ESFA grants	103,569	674,275	(697,150)	-	-	80,694
Other Government grants	343,503	850,310	(709,543)	(249,713)	-	234,557
SCITT	-	443,997	(430,861)	-	-	13,136
3G pitch donations	-	581,674	-	(581,674)	-	-
Pension reserve	(2,461,000)	(486,000)	(542,000)	-	808,000	(2,681,000)
	<u>(1,625,296)</u>	<u>13,133,830</u>	<u>(14,037,339)</u>	<u>(224,322)</u>	<u>808,000</u>	<u>(1,945,127)</u>
<b>Restricted fixed asset funds</b>						
General Fixed Asset Fund	8,246,700	90,970	(178,963)	2,045,693	-	10,204,400
DfE/ESFA capital grants	870,915	1,617,909	-	(1,340,180)	-	1,148,644
	<u>9,117,615</u>	<u>1,708,879</u>	<u>(178,963)</u>	<u>705,513</u>	<u>-</u>	<u>11,353,044</u>
<b>Total Restricted funds</b>	<u>7,492,319</u>	<u>14,842,709</u>	<u>(14,216,302)</u>	<u>481,191</u>	<u>808,000</u>	<u>9,407,917</u>
<b>Total funds</b>	<u><u>8,639,512</u></u>	<u><u>15,963,386</u></u>	<u><u>(14,899,335)</u></u>	<u><u>-</u></u>	<u><u>808,000</u></u>	<u><u>10,511,563</u></u>

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**Notes to the Financial Statements**  
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**20. Analysis of net assets between funds**

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	12,134,107	<b>12,134,107</b>
Current assets	1,976,304	1,802,954	179,753	<b>3,959,011</b>
Creditors due within one year	-	(1,592,250)	-	<b>(1,592,250)</b>
Creditors due in more than one year	-	(58,891)	-	<b>(58,891)</b>
Provisions for liabilities and charges	-	(4,263,000)	-	<b>(4,263,000)</b>
<b>Total</b>	<b>1,976,304</b>	<b>(4,111,187)</b>	<b>12,313,860</b>	<b>10,178,977</b>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	10,204,400	10,204,400
Current assets	1,103,651	1,528,097	1,148,645	3,780,393
Creditors due within one year	-	(779,824)	-	(779,824)
Creditors due in more than one year	-	(12,402)	-	(12,402)
Provisions for liabilities and charges	-	(2,681,000)	-	(2,681,000)
<b>Total</b>	<b>1,103,651</b>	<b>(1,945,129)</b>	<b>11,353,045</b>	<b>10,511,567</b>

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**21. Reconciliation of net income to net cash flow from operating activities**

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	<b>578,414</b>	1,064,051
<b>Adjustments for:</b>		
Depreciation	<b>271,272</b>	178,963
Capital grants from DfE and other capital income	<b>(1,429,819)</b>	(1,516,967)
Interest receivable	<b>(10,424)</b>	(15,895)
Defined benefit pension scheme obligation inherited	<b>112,000</b>	486,000
Defined benefit pension scheme cost less contributions payable	<b>489,000</b>	469,000
Defined benefit pension scheme finance cost	<b>70,000</b>	73,000
Decrease/(increase) in debtors	<b>217,735</b>	(267,004)
Increase/(decrease) in creditors	<b>806,922</b>	(19,757)
Assets inherited on conversion	<b>(50,000)</b>	(90,970)
Cash inherited on conversion	<b>(21,340)</b>	-
<b>Net cash provided by operating activities</b>	<b>1,033,760</b>	360,421

**22. Cash flows from financing activities**

	2019 £	2018 £
Cash inflows from new borrowing	<b>55,000</b>	-
Repayments of borrowing	<b>(3,011)</b>	-
<b>Net cash provided by financing activities</b>	<b>51,989</b>	-

**23. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	<b>10,424</b>	15,895
Purchase of tangible fixed assets	<b>(2,150,979)</b>	(1,735,945)
Capital grants from DfE Group	<b>1,429,819</b>	1,516,967
Cash inherited on conversion	<b>21,340</b>	-
<b>Net cash used in investing activities</b>	<b>(689,396)</b>	(203,083)

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**Notes to the Financial Statements**  
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**24. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	3,119,809	2,723,456
<b>Total cash and cash equivalents</b>	<b>3,119,809</b>	<b>2,723,456</b>

**25. Conversion to an academy trust**

On 1 October 2018 Fordcombe CE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Tenax Schools Trust from Kent County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net loss in the Statement of Financial Activities as Expenditure on Charitable activities - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>				
Leasehold land and buildings	-	-	50,000	50,000
<b>Current assets</b>				
Cash - representing budget surplus on LA funds	21,340	-	-	21,340
LGPS pension deficit	-	(112,000)	-	(112,000)
<b>Net assets/(liabilities)</b>	<b>21,340</b>	<b>(112,000)</b>	<b>50,000</b>	<b>(40,660)</b>

During the year, the Academy Trust recognised land of £50,000 comprising a 125 year lease granted from Kent County Council in respect of land at Fordcombe Church of England Primary School at 1 October 2018.

**26. Pension commitments**

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

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

**Notes to the Financial Statements**  
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**26. Pension commitments (continued)**

Contributions amounting to £130,824 were payable to the schemes at 31 August 2019 (2018 - £120,428) and are included within creditors.

**Teachers' Pension Scheme**

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

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

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,000 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- 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 is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £1,012,391 (2018 - £903,114).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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**26. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £575,000 (2018 - £530,000), of which employer's contributions totalled £436,000 (2018 - £404,000) and employees' contributions totalled £ 139,000 (2018 - £126,000). The agreed contribution rates for future years are 20 (KCC) and 15 (ESCC) per cent for employers and 5.5 to 12.5 per cent for employees.

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

**Principal actuarial assumptions**

	<b>2019</b> %	<b>2018</b> %
<b>Kent County Council Pension Fund</b>		
Rate of increase in salaries	<b>3.75</b>	3.80
Rate of increase for pensions in payment/inflation	<b>2.25</b>	2.30
Discount rate for scheme liabilities	<b>1.85</b>	2.65
<b>East Sussex County Council Pension Fund</b>		
Rate of increase in salaries	<b>2.70</b>	2.70
Rate of increase in pensions in payment / inflation	<b>2.30</b>	2.30
Discount rate for scheme liabilities	<b>1.80</b>	2.80

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**Notes to the Financial Statements**  
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**26. Pension commitments (continued)**

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

	<b>2019 Years</b>	<b>2018 Years</b>
<b>Kent County Council Pension Fund</b>		
Retiring today		
Males	<b>22.1</b>	23.1
Females	<b>24.0</b>	25.2
Retiring in 20 years		
Males	<b>23.7</b>	25.3
Females	<b>25.8</b>	27.5
	<hr/>	<hr/>
<b>East Sussex County Council Pension Fund</b>		
Retiring today		
Males	<b>21.2</b>	22.1
Females	<b>23.5</b>	24.4
Retiring in 20 years		
Males	<b>22.1</b>	23.8
Females	<b>24.9</b>	26.3
	<hr/>	<hr/>

**Sensitivity analysis**

	<b>2019</b>	<b>2018</b>
<b>Kent County Council Pension Fund</b>		
Real Discount Rate decrease of 0.1%	<b>174,000</b>	133,000
Mortality assumption - 1 year increase	<b>312,000</b>	221,000
Salary Increase Rate of 0.1%	<b>15,000</b>	11,000
Pension Rate increase of 0.1%	<b>158,000</b>	122,000
	<hr/>	<hr/>
<b>East Sussex County Council Pension Fund</b>		
Discount rate -0.5%	<b>215,000</b>	148,000
Salary rate +0.5%	<b>23,000</b>	20,000
Pension rate +0.5%	<b>189,000</b>	127,000
	<hr/>	<hr/>

**The Tenax Schools Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**26. Pension commitments (continued)**

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

	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
	<b>£</b>	<b>£</b>
Equities	<b>3,968,000</b>	3,436,000
Gilts	<b>34,000</b>	31,000
Corporate bonds	<b>664,000</b>	487,000
Property	<b>655,000</b>	595,000
Cash and other liquid assets	<b>159,000</b>	152,000
Target return portfolio	<b>374,000</b>	277,000
<b>Total market value of assets</b>	<b><u>5,854,000</u></b>	<b><u>4,978,000</u></b>

The actual return on scheme assets was £261,000 (2018 - £224,000).

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current service cost	<b>(853,000)</b>	(872,000)
Past service cost	<b>(70,000)</b>	-
Interest income	<b>143,000</b>	118,000
Interest cost	<b>(213,000)</b>	(191,000)
Transfer in on existing academy joining the Trust	<b>-</b>	(486,000)
Administrative expenses	<b>(2,000)</b>	(1,000)
Transfer in on academy converter joining the Trust	<b>(112,000)</b>	-
<b>Total amount recognised in the Statement of Financial Activities</b>	<b><u>(1,107,000)</u></b>	<b><u>(1,432,000)</u></b>

As described in note 25 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**26. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>7,659,000</b>	<b>6,163,000</b>
Conversion of academy trusts	<b>231,000</b>	-
Transferred in on existing academies joining the trust	-	1,096,000
Interest cost	<b>213,000</b>	191,000
Employee contributions	<b>139,000</b>	126,000
Change in financial assumptions	<b>1,465,000</b>	(656,000)
Benefits paid	<b>(77,000)</b>	(133,000)
Past service costs	<b>70,000</b>	-
Current service costs	<b>853,000</b>	872,000
Change in demographic assumptions	<b>(436,000)</b>	-
<b>At 31 August</b>	<b>10,117,000</b>	<b>7,659,000</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>4,978,000</b>	<b>3,702,000</b>
Conversion of academy trusts	<b>119,000</b>	-
Transferred in on existing academies joining the trust	-	610,000
Interest income	<b>143,000</b>	118,000
Actuarial gains	<b>118,000</b>	152,000
Employer contributions	<b>436,000</b>	404,000
Employee contributions	<b>139,000</b>	126,000
Benefits paid	<b>(77,000)</b>	(133,000)
Administration expenses	<b>(2,000)</b>	(1,000)
<b>At 31 August</b>	<b>5,854,000</b>	<b>4,978,000</b>

The valuation allows for the estimated impact of the recent McCloud judgement as a past service cost. The estimated impact on the total liabilities as at 31 August 2019 is £70,000 (or 0.8% as a percentage of total liabilities).

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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**27. Operating lease commitments**

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	29,903	35,429
Later than 1 year and not later than 5 years	40,687	30,185
	<u>70,590</u>	<u>65,614</u>

**28. Members' liability**

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

**29. Related party transactions**

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the financial period:

The Rochester Diocesan Board own the legal title of the land and freehold property where the CofE academy is situated therefore only the value of the land that is owned by the academy trust, comprising the school sports field and driveway, is included in these financial statements. There is no formal lease in place and the Rochester Diocesan Board do not charge any rent for the use of the property.

*Income Related Party Transaction*

During the year £41,400 was received from the Bennett Memorial Diocesan School Charity as a contribution towards the chaplain salary and other general charity administration expenses. In 2018 £581,674 was received as a contribution towards the 3G pitch.

No related party transactions took place in the period of account, other than the above and certain trustees' remuneration and expenses already disclosed in note 13.

**30. Post balance sheet events**

The lease to rent the land that Bishop Chavasse Church of England Primary School is situated on was signed on 11 October 2019 for a term of 125 years from and including the date the lease was signed.

**31. Controlling party**

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Trustees. There is no ultimate controlling party.

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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**32. SCITT trading account**

	2019 £	2019 £	2018 £	2018 £
<b>Income</b>				
<b>Direct income</b>				
ESFA Income	320,000		261,000	
SCITT SFE and private funding	281,030		182,997	
Bank interest	53		-	
<b>Total other income</b>	<b>281,083</b>		<b>182,997</b>	
<b>Total income</b>		<b>601,083</b>		<b>443,997</b>
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	112,475		88,380	
DBS checks	2,246		1,800	
Other staff costs	3,506		1,594	
Curriculum resources	44		65	
Staff development	77,630		49,870	
Bursary payments	320,000		261,000	
<b>Total direct expenditure</b>	<b>515,901</b>		<b>402,709</b>	
<b>Other expenditure</b>				
Other staff costs	40,204		18,846	
Exam moderator fees	2,555		-	
Professional fees non curriculum	275		50	
Non curriculum resources	4,462		597	
Administration expenses	10,571		989	
Payroll charges	866		714	
Subs and licenses	798		3,607	
Audit fees	1,000		1,000	
Hospitality and catering	3,065		478	
Furniture	898		1,871	
<b>Total other expenditure</b>	<b>64,694</b>		<b>28,152</b>	
<b>Total expenditure</b>		<b>580,595</b>		<b>430,861</b>
<b>Surplus from all sources</b>		<b>20,488</b>		<b>13,136</b>
<b>SCITT balances at 1 September 2018</b>		<b>13,136</b>		<b>-</b>
<b>SCITT balances at 31 August 2019</b>		<b>33,624</b>		<b>13,136</b>