

COMPANIES HOUSE

**Kennet School Academies  
Trust**

**Annual Report and Financial  
Statements**

Year to 31 August 2021

Company Limited by Guarantee  
Registration Number  
07543874 (England and Wales)



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## Reference and administrative information Year to 31 August 2021

<b>Members</b>	Ms A Andrews Ms K Bahia Mr P Trincas
<b>Members and Directors</b>	Reverend M Bennet Mr M Cole
<b>Directors</b>	Mr N Cornish Dr E Crossman (Resigned 31 July 2021) Mrs R Ebdon (Resigned 1 December 2021) Mrs M Harrison Mr K Hillerton Mr A James Mr M Keogh Mr N Margeson Mrs G Piper
<b>Senior Management Team</b>	Mrs G Piper Mr C Ellison (Resigned 18 April 2021) Mrs L Gow (Appointed 19 April 2021) Mrs G Ronksley Mrs K Odenwälder Miss T Dowling Mr G Clegg Mr M Irving Mrs M Phillips Mrs Y Standing Miss E Hobbs Mrs J Tarry (Resigned 31 December 2020) Miss E K Stock (Appointed 1 January 2021) Mr C Adams
<b>Executive Headteacher and Accounting Officer</b>	Mrs G Piper
<b>Principal and registered office</b>	Kennet School Stoney Lane Thatcham Berkshire RG19 4LL
<b>Company registration number</b>	07543874 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

**Reference and administrative information** Year to 31 August 2021

**Bankers** HSBC  
6 Northbrook Street  
Newbury  
Berkshire  
RG14 1DJ

**Solicitors** Veale Wasbrough Vizards LLP  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS

## **Directors' report** Year to 31 August 2021

The Directors of Kennet School Academies Trust (the Trust) present their statutory report and financial statements for the year ended 31 August 2021. The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes the directors' report for the purposes of Companies Act 2006. Sections on 'achievements and performance', 'financial review', 'principal risks and uncertainties' and 'plans for future years', included within the directors' report, meet the requirements for a strategic report as outlined in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The financial statements have been prepared in accordance with the accounting policies set out on pages 33 to 38 of the attached financial statements and comply with the Trust's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

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

#### **Constitution and principal activities**

The Trust is a company limited by guarantee (Company registration no. 07543874). Initially incorporated on 25 February 2011 as a single academy known as Kennet School, on 1 January 2014 the Trust became a Multi-Academy Trust, incorporating Whitelands Park Primary, and on 1 September 2019 Francis Baily Primary joined the Trust, both are feeder schools. The Trust is also an exempt charity. The Memorandum and Articles of Association dated 1 January 2014 and master funding agreement executed on 22 August 2019, alongside separate supplemental funding agreements for each Academy within the Trust are the primary governing documents for the Trust. There are also two deeds of variation executed to the supplemental funding agreements. One deed of variation is for Whitelands Park executed 28 August 2016 (amending its capacity to 419) and the second is for Kennet executed 22 August 2019 (amending its capacity to 1,881).

The Members of the Trust comprise the chairman of the Directors and any person appointed by article 16 of the Articles of Association. The Articles of Association require there to be no fewer than three Members.

The principal activity of the Trust is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

#### **Members' liability**

Every Member of the Trust undertakes to contribute to the assets of the Trust 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, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

## Directors' report Year to 31 August 2021

### STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

#### Directors

The Trust is governed by a Board of Directors who manage the affairs of the Trust and are responsible for its day to day running under company law. The number of Directors is not subject to any maximum but again the Articles of Association require that there are no fewer than three Directors. The following were in office and served throughout the year ended 31 August 2021 except as noted:

Members	Appointed	Resigned
Ms A Andrews (Chair of Trust)		
Ms K Bahia		
Mr P Trincas		

Members and Directors	Appointed	Resigned
Mr M Cole (Chair of Directors)		
Reverend M Bennet		

Directors	Appointed	Resigned
Mr N Cornish		
Dr E Crossman		31 July 2021
Mrs R Ebdon		
Mrs M Harrison		
Mr K Hillerton		
Mr M Keogh (Staff)		
Mr A James		
Mr N Margeson		
Mrs G Piper (Executive Head)		

The day to day running of the Trust is delegated to the Executive Headteacher, supported by the Senior Leadership Teams at both Academies and the Bursar.

#### Senior Leadership Team (Kennet)

Mrs G Piper	Executive Head
Mrs G Ronksley	Deputy Headteacher
Mrs L Gow	Deputy Headteacher
Miss T Dowling	Deputy Headteacher
Mrs K Odenwälder	Assistant Headteacher
Mr G Clegg	Assistant Headteacher
Mr C Adams	Assistant Headteacher

#### Primary Senior Leadership Team

Mr M Irving	Headteacher (Whitelands)
Mrs Y Standing	Headteacher (Francis Baily)
Mrs M Phillips	Deputy Headteacher (Whitelands)
Miss E Hobbs	Deputy Headteacher (Francis Baily)
Miss E K Stock	Assistant Headteacher (Francis Baily)

#### Bursar

Mrs A J Humphreys	Bursar
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## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Directors' remuneration**

No Director received any remuneration in respect of their duties as Directors during the year ended 31 August 2021 (2020 – none). Mrs G Piper was remunerated in the position of Executive Headteacher and Mr M Keogh was remunerated as a teacher at Kennet School.

### **Honorary officers**

There are no honorary officers.

### **Directors' organisation, recruitment, appointment and training**

The Articles of Association define that the Trust shall have the following number and classes of Directors:

- ◆ Up to 9 Directors appointed by the members;
- ◆ The Executive Headteacher;
- ◆ Any Staff Directors, if appointed by the members under Article 50A; and
- ◆ A minimum of two Parent Directors unless there are Local Governing Bodies which include at least two parent governors.

The Trust may also have any Co-opted Director appointed under Article 58. The Trust had no Co-opted Directors during or at the year ended 31 August 2021.

As all Academies within the Trust have Local Governing Bodies, which include at least two parent governor representatives, all Directors of Kennet School Academies Trust (as listed in the table on page 4) are appointed Directors, except for those whose class is listed.

Key considerations for appointment of Directors include personal competence, professional and specialist skills and a deep commitment to the Trust. New Directors undertake induction to the workings of the Trust. Training is offered to all Directors and is provided through a number of sources. Directors, with the exception of the Executive Head, who is the Accounting Officer, are appointed for a four year term. At the end of this period they can offer themselves for re-appointment.

The Directors meet at least three times a year and in 2020-21 met four times. The Directors have delegated powers and duties to the work of committees, but not responsibility, nor any reserved matters that always remain the remit of the Directors. The Trust operates with Finance, Safeguarding, Pay and Risk Committees.

Each Academy in the Trust has its own Local Governing Body. The Directors' Committees and the Local Governing Bodies always meet prior to a Trust meeting to provide timely reporting and monitoring to the Directors.

Other committees of the Trust that are formed as required cover disciplinary matters and appeals.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Directors' indemnities

Subject to the provisions of the Companies Act 2006 every Director or other officer or auditor of the Trust shall be indemnified out of the assets of the Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust. Indemnity insurance is in place, held by the Trust.

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

The setting of pay and remuneration for the Executive Head is undertaken by a pay Committee in consultation with external specialist advice. This panel review and appraise the Executive Head's performance, set objectives and determine her pay. A Director, along with the Executive Head, and a governor, usually the Chair, of each Local Governing Body undertake the review for the Primary Headteachers. Pay determinations are made in accordance with the Trust's pay policies and pay scale ranges for leadership. All other pay reviews of senior staff at Kennet are delegated to the Executive Head. Pay reviews of senior staff at the two Primary Schools are delegated to each Primary Headteacher, respectively.

### Trade Union facility time

The provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Academy Trust to publish the following information.

Number of employees	Number	Full-time equivalent
Relevant union officials during 1 <sup>st</sup> April 2020-31 <sup>st</sup> March 2021	2.0	1.87

Percentage of time spent on Trade Union facility time	Number
0%	2.0
1% - 50%	
51% - 99%	
100%	

Percentage of pay bill spent on Trade Union facility time	£	Percentage
Total cost of facility time	0	0%
Total pay bill	£12,387,799	
Percentage of the total pay bill spent on facility time.	0%	

Paid Trade Union activities	Hours	Percentage
Hours spent on paid facility time	0	
Hours spent on paid Trade Union activities	0	
Percentage of the total paid facility time hours spent on paid Trade Union activities	0	

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

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

All schools in the Trust benefit enormously from the activities and donation of funds raised by volunteers that comprise Kennet PTA (registered Charity Number 1106961), Friends of Kennet Music ('FoKM'), Friends of Whitelands ('FoW') and Francis Baily PTA. All are unincorporated charities and none have made donations for 2020-21 because opportunities for large scale fundraising events have been non-existent during the year with the social distancing restrictions that have been in place due to ongoing Covid-related disruption. The Trust looks forward to working with them going forward in 2021-22 celebrating our community as we move to a new normal. The Directors extend their thanks to all parents and staff who contribute their time, willingly and freely, to support our schools.

### **Engagement with employees (including disabled persons)**

Directors have a duty to promote the success of the Trust and decisions taken by Directors have regard to long term and real consequences for its employees. In 2020-21 Directors have specifically continued to have regard to employees through their direct involvement in the preparation and on-going review of the Trust's COVID-19 Risk Assessments and in particular consulted with those employees who would be in their final trimester at the start of the new school year in September 2021. Directors engagement with employees was through attendance at school events and visits and consideration of employee interests in the decisions taken and policies set for the Trust.

## **OBJECTIVES AND ACTIVITIES**

### **Objectives**

When setting the objectives of the Trust for the period, the Directors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary guidance on advancing education.

The core purpose of the Trust is unapologetically focused on securing the very best academic results for every pupil at every stage of their educational journey at each and every school in the Trust. For 2020-21, the Trust has participated as a mentee in the DfE's Trust to Trust Development Programme to continue its path of a growing strong and successful Multi-Academy Trust (MAT). The purpose of the programme is to encourage the sharing of successful evidence based approaches to school improvement, trust development and sustainable MAT growth. The Trust has implemented in 2020-21 a standard and aligned curriculum at the two primaries and from there started a mapping from there to secondary for English and Maths curriculums which has required and involved connectivity and collaboration between all Trust Leaders.

The mission of the Trust is to secure the best academic results for every pupil and is underpinned by:

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

### **Objectives (continued)**

- ◆ Creating a caring, safe and stimulating environment within the schools ensuring safeguarding is prioritised in every respect.
- ◆ Securing the well-being and happiness of each pupil at every stage of their educational journey.
- ◆ Fostering the intellectual, social, moral and physical development of every pupil.
- ◆ Enabling all pupils to experience success and be excited by their personal potential.
- ◆ Meeting the needs of society by ensuring our pupils understand and develop the essential skills to contribute and improve their community and environment.
- ◆ Providing a broad, balanced and differentiated curriculum which enables pupils to achieve and thrive.
- ◆ Cultivating pupils' academic curiosity along with the ability to explore answers.
- ◆ Creating exceptional life chances for all our pupils across all our schools.

### **Aims and intended impact**

The aim, quite simply, is to ensure every pupil leaves the Trust with exceptional life chances, a confident and vibrant character and the ability to grow into responsible and fulfilled adults.

## **STRATEGIC REPORT**

### **Achievements and performance**

The year of 2020-21 has seen Covid-related disruption, but the curriculum has not been paused. Teaching and learning continued apace both in person and remotely during the January lockdown. On return to school on March 8th a programme to re-engage and re-induct all pupils back into school and its routines and expectations was a key element. Routine assessments were undertaken in the summer term at the two primaries and modular assessments in departments at Kennet in readiness to close gaps in learning for the coming academic year.

Over the summer all schools offered activities for their pupils. Both primaries ran very successful and well attended clubs largely funded by the expanded Holidays Activity Fund which targeted free holiday provision for vulnerable children and included healthy food, physical activities and other skill enriching activities. Kennet every year offers to rising year 7s and vulnerable pupils the opportunity to attend a Summer School. The aim of this initiative being to make pupils feel comfortable in their new surroundings, make friends and increase their confidence and resolve any last concerns. This year it ran over two weeks involving some 40 staff as it was supplemented by Summer School Catch-Up funding and included academic and enrichment sessions from African drumming to afternoon teas to book clubs. The school featured on BBC South Today showcasing the importance of summer schools for young people.

**STRATEGIC REPORT** (continued)

**Key Performance Indicators**

There are two key measures assuring the Trust's achievements against its objectives.

The first measure is the judgement Ofsted makes on the Trust's schools. In May 2016, Kennet was rated Outstanding (previously Requires Improvement) and in July 2021 Whitelands was rated as still Good in its second judgement as an academy. Francis Baily joined the Trust rated Good in June 2016.

The second measure is pupil numbers, assuring both educational and financial health, particularly in recent times of meeting on-going funding challenges. Healthy and sustained pupil numbers also indicate and reflect the confidence that local parents have in the Trust, although Directors note the opportunity for further growth at both Kennet and Francis Baily are limited given constraints of site.

<b>Pupil Numbers</b>	<b>Kennet</b>	<b>Whitelands</b>	<b>Francis Baily</b>
<b>Oct 2017</b>	1,759	314	
<b>Oct 2018</b>	1,818	347	
<b>Oct 2019</b>	1,814	341	581
<b>Oct 2020</b>	1,819	358	586
<b>Oct 2021</b>	1,878	367	557
<b>Capacity</b>	1,881	419	567

**Going concern**

The Directors assessment of going concern following enquiries and evidence gathered mean that they have a reasonable expectation that the Trust has adequate resources to continue its operational existence for at least 12 months from the date of approval of these financial statements. Directors considered and challenged updated forecasts for 2021-22, national funding rates for 2022-23 as published by DfE in July 2021, reserves, cash balances, pupil number forecasts and wider demographic changes for the Thatcham area. For this reason, it continues to adopt the going concern basis in preparing financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**Promoting the success of the company**

Directors are very clear about their duties and are charged with acting in a way that is most likely to promote the success of the company. The year 2020-21 has presented on-going disruption and challenges in implementing safe and sustainable working environments for its employees and pupils, whilst continuing to provide the best possible educational provision. The Directors have proactively engaged in ensuring that the Trust has delivered on both of these to a high standard. This is best illustrated by the Trust's no-delay approach to testing for the return to school life both at the end of lockdown on 8<sup>th</sup> March and the start of the new 2021-22 academic year. The successful galvanisation of volunteers and weekend testing where necessary, ensured pupils were back in school attending lessons from day one, maximising attendance and catch-up teaching and learning. The Directors feel rightly proud of the contribution the Trust continues to make to its community of Thatcham and surrounding villages.

**STRATEGIC REPORT** (continued)

**Financial review**

Kennet School Academies Trust presents its report and financial statements for the period 1 September 2020 to 31 August 2021. At 31 August 2021, the Trust held fixed assets of £26,411,000 (2020 – £26,768,000) and cash of £1,177,000 (2020 – £793,000).

The uncrystallised LGPS pension liability has increased to £11,312,000 from £8,837,000. The Directors do not, under their reserves policy, need to designate any of their existing funds to meet future pension commitments. This position is supported by actuarial advice sought and the Parliamentary Minute that provides for a guarantee by the Department for Education to meet any outstanding LGPS liabilities in the event of an academy closure. The guarantee came into force on 18 July 2013.

The actuarial valuation of the pension liability was fully reviewed on 31 March 2019 by the LGPS, the date for the latest triennial pension funding valuation, as opposed to the accounting valuation reported within these financial statements. The 31 March 2019 LGPS funding valuation set employer contribution rates for the period 1 April 2020 to 31 March 2023. The rate from 1 April 2020 was 19.6%, from 1 April 2021 the rate became 20.6% and from 1 April 2022 there will be a subsequent rate increase to 21.6%. None of the LGPS increases at either this or previous triennial reviews have been subject to specific additional funding from the DfE, all will have been funded by the Trust and from an initial rate of 16.3% in force when the Trust formed in 2011.

During the year ended 31 August 2021, income comprised both grant funding from the Education and Skills Funding Agency (ESFA) and other income. Income for the year amounted to £16,042,000 (2020 – £18,121,000) and was exceeded by total expenditure in the Trust of £17,135,000 (2020 – £15,990,000), including the depreciation charge.

Excluding depreciation but including non-cash FRS102 costs, total expenditure was £16,216,000 and the income was £16,042,000.

The in-year position surplus from the change in balance of restricted general funds (excluding pension reserves) plus unrestricted funds and excess of income over expenditure means that reserves as at 31 August 2021 now stand at £625,000. (2020 – £424,000). The aim of Directors has been to build back reserves having depleted them during austerity.

On-going Covid-related disruption has meant the Trust has incurred additional premises related costs on cleaning and PPE provision. The Trust has also suffered from lower revenue streams from donations and childcare. These adverse impacts have been offset by funding in support of the delivery of lateral flow device testing, lower supply cover costs from limited extra-curricular trips and a second year of no formal exams leading to a reduction been applied by the exam boards to exam fees.

**STRATEGIC REPORT (continued)**

**Reserves policy**

Reserves are held by the Trust to ensure it can operate effectively, specifically to:

- ◆ meet any emergency or unexpected needs for funds for example: urgent repairs or falls in pupil numbers;
- ◆ provide time to take action should funding levels fall; and
- ◆ provide working capital to cover cashflow variations.

As at 31 August 2021, the level of free reserves was £625,000 of total funding (2020 – £424,000).

Whitelands Park Primary had free reserves of £2,000 at 31 August 2021 (2020 – £1,000), Kennet £321,000 (2020 – £171,000), Francis Baily £302,000 (2020 – £252,000) and Central Services £nil (2020 – £nil).

As part of the Trust's reserves policy, Directors give careful consideration to the cash flow implications that arise from increased or decreased contributions to defined benefit pension schemes. Where contributions can be met from projected future income without significant impact on the levels of activity then Directors will not designate any of their existing funds to meet future pension commitments. Where contribution increases would cause uncertainty or would result in a curtailment of activities, Directors would seek actuarial and legal advice and prudently create a designation of existing funds.

Directors continue to review reserves at the three schools in the Trust and are very aware of their responsibilities to ensure that the good financial health of the Trust is maintained in the face of the immediate operational challenges presented by COVID-19 and recognise the essential role that financial stability plays in the delivery of high quality education.

In 2020-21 The Trust has supported Whitelands by delaying its 2020-21 central services contribution. This enabled the school to recruit a teacher and add a whole class as it grows rather than operate mixed classes. It is expected that this will be repaid in 2021-22 when lagged funding follows the growth. Pupil Numbers have grown from 342 in 2019-20 to 358 in 2020-21 and are 367 in 2021-22. The school has a capacity of 419 and for 2020-21 has run its full complement of 14 classes for the first time, prior to this it had operated 13 classes.

In the presence of on-going pressures on employment costs, the Directors remain committed to building the reserves at each school to around 3% (+/- 0.5%) of total funding. This requires Kennet to add to reserves incrementally, for Whitelands Park to add significantly to its reserves and for Francis Baily to appropriately invest in the school's physical environment and learning resources.

The main driver enabling this is growth in pupil numbers, as detailed on page 9, under Key Performance Indicators. Directors carefully track and respond to any growth or decline in pupil numbers as it is vital to securing financial health alongside careful planning in the delivery of a broad and balanced curriculum at its three schools.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties managed by Directors for the three schools in 2020-21 are the responses to on-going Covid-related disruption, funding challenges and IT.

### **Risk management**

The Directors are responsible for the management of the risks faced by the Trust. For 2020-21 the Trust had a Risk Committee which holds delegated responsibility for the oversight and review of the Trust's risk management strategy and process to identify and prioritise strategic risks formally for each of its schools and from there to form an overarching Trust risk register and to develop a programme of internal assurance.

The risk management process involves identifying the types of risk each academy faces against a matrix that guides the likelihood and impact. The impact is considered against five key areas (compliance, pupil outcomes, reputation, health & safety and staffing culture) and the likelihood is considered against five bands of probability (0-20%, 21-50%, 51-80%, 81-95% and over 95%). This results in risks being judged to be primary (needing immediate response), to contingent (needing assurance), to housekeeping to low.

The two principal risks that have been subject to detailed review in 2020-21 are:

- ◆ COVID-19: the ongoing disruption and impact to education, finances and attendance of staff and pupils from Covid related control ie: testing, isolation, social distancing, other preventative measures and lockdowns all directed at avoiding increasing infection levels or an outbreak has been the primary risk that has been managed by the Trust.
- ◆ IT: securing robust security against cyber-attacks, alongside the need to scale and support systems that have intensely become essential to the delivery of teaching and the wider running of schools both remotely during lockdown but for individuals isolating too has led to a programme of work to assure Risk Committee that IT system failure is not a primary risk.

## **PLANS FOR FUTURE YEARS**

The Trust is small and Directors are keen to see the Trust continue to grow within its local area where there are educational benefits or economies of scale to be gained. The involvement in the DfE's Trust to Trust development programme is a recognition that the Trust has potential to do that.

The immediate short term plan and priority for 2021-22 is to continue to deliver for full educational provision alongside any required recovery curriculum. In parallel the Trust will seek to maximise the synergy and benefits of being a part of a Trust of three schools, specifically focussing on driving improvement within each individual school.

**Directors' report** Year to 31 August 2021

**STREAMLINED ENERGY AND CARBON REPORTING**

The Trust reports against the reporting below:

<b>UK Greenhouse gas emissions and energy use data for the period</b>	<b>1 September 2020 to 31 August 2021</b>	<b>1 September 2019 to 31 August 2020</b>
Energy consumption break down (kWh / litres)		
• Gas (kWh)	<b>2,011,576</b>	1,688,301
• electricity (kWh)	<b>930,876</b>	771,096
• transport fuel (litres)	<b>1,663</b>	10,397
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas Consumption	<b>368.440</b>	310.428
Owned transport – mini-buses	<b>4.178</b>	10.397
	<b>372.618</b>	<b>320.825</b>
<b>Total Scope 1</b>		
<u>Scope 2 emissions in metric tonnes CO2e</u>		
<b>Purchased electricity</b>	<b>197.653</b>	179.773
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel by rail	<b>0</b>	88.227
	<b>.046</b>	1.03
Business travel in employee owned vehicles	<b>.046</b>	<b>89.257</b>
<b>Total Scope 3</b>		
<b>Total gross emissions in metric tonnes CO2e</b>	<b>570.317</b>	<b>589.855</b>
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	<b>0.207</b>	0.216

**STREAMLINED ENERGY AND CARBON REPORTING** (continued)

**Quantification and Reporting Methodology**

We have followed the 2019 HM Government Environmental Reporting Guidelines and used the Carbon Trust Conversion factors and Workbook which uses factors from BEIS' greenhouse gas conversion factors for company reporting, published in June 2020.

**Intensity measurement**

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

**Measures taken to improve energy efficiency**

We have continued to improve the physical environment and in Summer 2021 started significant programmes to upgrade heating and electrical works funded through the DfE's Condition Improvement Fund. Parents, staff and those involved in Governance have embraced the move to remote delivery for meetings and training reducing the need for travel. However, increased ventilation as a measure to combat COVID transmission has led to greater energy consumption. To illustrate Kennet School gas boilers used just 8,747 kWh of gas in August 2021 but 278,446 kWh in January 2021 up from 224,304 kWh in August 2020.

**EQUAL OPPORTUNITIES**

The Equality Act 2010 provides a single, consolidated source of discrimination law, covering all the types of discrimination that are unlawful replacing all previous equality legislation. It introduced a Single Public Sector Equality Duty, which applies to the Trust to eliminate discrimination, to advance equality of opportunity within our community and to foster good relations there too. The Trust wholeheartedly supports and endorses the Single Public Sector Equality Duty and also the subsequent reasonable adjustment duty that came into force on 1 September 2012.

Equal opportunities are an integral part of good practice within the workplace for the Trust's employees as well as in the education provided to our pupils. Everyone is held to be of equal value. No exceptions.

Equality objectives are set every four years and were last reviewed and set in 2016 with progress and performance against those objectives being reviewed annually and published on the schools' websites. Five new equality objectives have been identified:

- ◆ Staffing analysis to inform understanding of diversity and recruitment processes.
- ◆ Personalised risk assessment for staff to ensure all reasonable adjustments made.
- ◆ Representation of teachers by minority groups to mirror community.
- ◆ Equality training and awareness for all staff.
- ◆ Equal gender and minority group completion of Rising Stars programme in Year 7.

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

No such funds are held.

## **Directors' report** Year to 31 August 2021

### **AUDITOR**

Each of the Directors confirms that:

- ◆ so far as the Director is aware, there is no relevant audit information of which the Trust's auditor is unaware; and
- ◆ the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

The report of the Directors, incorporating a strategic report, approved by order of the Board of Directors on 7 December 2021 and signed on its behalf by:

*M J Cole*

Chair of Directors, Kennet School Academies Trust

## Governance statement Year to 31 August 2021

### Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Kennet School Academies 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 it can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has delegated the day-to-day responsibility 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 Trust and the Secretary of State for Education to the Executive Headteacher. The Executive Headteacher is also responsible for reporting to the Directors any material weaknesses or breakdowns in internal control.

### Governance

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

The Board of Directors has formally met 4 times during the year and these meetings were supplemented by 9 meetings across its 3 sub-committees. Attendance during the year at meetings of the Directors' was as follows:

Director	Number of meetings attended	Out of a possible
Reverend M Bennet (Chair to 15 July 2020)	4	4
Mr M Cole (Chair from 15 July 2020)	4	4
Mrs G Piper (Executive Headteacher)	4	4
Mr N Cornish	4	4
Dr E Crossman	3	4
Mrs R Ebdon (Resigned 1 December 2021)	1	4
Mrs M Harrison	3	4
Mr K Hillerton	4	4
Mr A James	4	4
Mr M Keogh (Staff)	3	4
Mr N Margeson	4	4

### Governance reviews

The Trust has had two external formal governance reviews and for 2020-21 the Chair of Directors and Executive Head have worked on an internal review of Governance as one aspect of the Trust-to-Trust development Programme. This review has redefined responsibilities, information flows and, specifically as far as the governance of the Trust is concerned, sharpened the focus on the roles of the LGBs and Board to avoid duplication and wasted or unnecessary effort and was the focus of a Trust wide Governance Conference on 1<sup>st</sup> September 2021.

Members, who appoint the Directors continually consider the composition of the Board to review effectiveness and against the Academies Trust and Governance Handbooks.

## Governance statement Year to 31 August 2021

### Finance committee

The Finance Committee is a sub-committee of the main Board of Directors. It is responsible for ensuring that there are effective financial governance arrangements to manage all of the Trust's funds and in particular ensure that every school in the Trust develops financial plans to secure a balanced budget to ensure sustainability, stability and on-going liquidity.

Attendance at meetings in the year was as follows:

Director	Number of meetings attended	Out of a possible
Mr M Cole	3	3
Reverend M Bennet	3	3
Mrs G Piper (Executive Headteacher)	3	3
Mr M Keogh, Chair (Staff)	3	3
Mrs M Harrison	3	3

### Review of value for money

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

Ongoing Covid-related disruption adversely impacted the Trust's ability to raise its own funds through lettings and catering income and also the income stream in the two primaries for clubs staffed but funded entirely from parents for childcare provision. The Trust considered carefully and studied the Government's guidance on its job retention scheme and the published guidance and conditions from the DfE on its applicability to schools. The Trust did not make a claim. The Trust did submit a claim for reimbursement of additional Free School Meal costs for pupils isolating at the beginning of the January lockdown before it could access the DfE national on-line FSM voucher scheme. This was for a sum of £3,843 and was reimbursed in June 2021 and other formulaic funding was received to cover mass Lateral Flow device testing in schools which totalled £42,960.

The Trust delivered and improved value for money by ensuring strong oversight of each school's finances and each school has a highly qualified and specialist teaching complement that maximises teaching time with pupils and deliver a curriculum that is rich and informed by research and well-resourced.

Alongside this, there has been work at all three schools to improve the physical learning environment. At Francis Baily, this was through extending teaching space to three more Key Stage 1 classrooms and to improve site security to better safeguard pupils through the installation of perimeter fencing and gates. At Whitelands, this was to refurbish the kitchen and associated appliances. At Kennet, a further sets of toilets were refurbished along with investment in ventilation to 2 isolated teaching spaces and in new gym equipment as well as starting major heating pipework and electrical projects funded through the DfE's Condition Improvement Fund.

## **Governance statement Year to 31 August 2021**

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised, to evaluate the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at the Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal, appropriate on-going process for identifying, evaluating and managing the Trust's significant risks. This process is reviewed by the Board of Directors at least termly.

### **The risk and control framework**

Directors reviewed its Governance and Committee structures and for 2020-21 put in place a Risk Committee which holds delegated responsibility for the oversight and review of the Trust's risk management strategy and process to identify and prioritise risks for each of its schools and also from there to form an overarching Trust risk register and to develop a programme of internal assurance.

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

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

## Governance statement Year to 31 August 2021

### **The risk and control framework** (continued)

The Board of Directors has considered the need for a specific internal audit function and decided not to appoint an internal auditor and given the size of the Trust and the guidance within the Academies Financial Handbook 2020 has for 2020-21 decided to form a dedicated Risk Committee and the oversight of audit and financial risk has passed now to this committee from being combined with the Finance Committee.

In 2020-21, a wider programme of risk based internal scrutiny was defined led by the Risk Committee reporting to the Board of Directors and its first focus was IT. This will continue in 2021-22 and be supplemented with peer review by the chief financial officer from another academy trust.

### **Review of effectiveness**

As Accounting Officer, the Executive Headteacher 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 programme of visits and checks in support of the Finance Committee;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process;
- ◆ the work of the Senior Leadership Team within the 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 Committee and ensures continuous improvement of the system is in place.

Approved by order of the Board of Directors and signed on their behalf by:

*M. J. Cole*

Chair of Directors

*Gemma Piper*

Executive Headteacher

Approved on: 7 December 2021

## **Statement on regularity, propriety and compliance Year to 31 August 2021**

As Accounting Officer of Kennet School Academies Trust, I have considered my responsibility to notify the Trust Board of Directors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Trust's Directors are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

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 Directors and ESFA.

*Gemma Piper*

Executive Headteacher and Accounting Officer

Date: 7 December 2021

## Statement of Directors' responsibilities Year to 31 August 2021

The Directors are responsible for preparing the Directors' report, the strategic report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP FRS102 and the Academies Accounts Direction 2020 to 2021;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in operation.

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

The Directors are responsible for ensuring that in its conduct and operation the Trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA have been applied for the purposes intended. The Directors are responsible for the maintenance and integrity of the charity and financial information included on the academies' websites. 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 Kennet School Academies Trust and signed on its behalf by:

*M J Cole*

Chair of Directors, Kennet School Academies Trust

Date: 7 December 2021

## **Independent auditor's report on the financial statements Year to 31 August 2021**

### **Independent auditor's report to the members of Kennet School Academies Trust**

#### **Opinion**

We have audited the financial statements of Kennet School Academies Trust (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP FRS102) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP FRS102 and Academies Accounts Direction 2020 to 2021.

#### **Basis for opinion**

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

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

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

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

## **Independent auditor's report on the financial statements Year to 31 August 2021**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law [and includes the strategic report], for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report [including the strategic report].

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

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

## **Independent auditor's report on the financial statements Year to 31 August 2021**

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

- ◆ we have not received all the information and explanations we require for our audit;

### **Responsibilities of trustees**

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

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

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

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

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

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

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

## **Independent auditor's report on the financial statements Year to 31 August 2021**

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

- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS102, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

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

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

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

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;

## Independent auditor's report on the financial statements Year to 31 August 2021

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

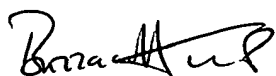
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement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

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

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

### Use of our report

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



16 December 2021

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

## **Independent reporting accountant's report on regularity Year to 31 August 2021**

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

In accordance with the terms of our engagement letter dated 12 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kennet School Academies Trust during the period from 1 September 2020 to 31 August 2021 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 Kennet School Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Kennet School Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Kennet School Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Kennet School Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Kennet School Academies Trust's funding agreement with the Secretary of State for Education dated 10 May 2016 (alongside a subsequent deed of variation dated 26 August 2016) and the Academies Financial Handbook 2020, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

## **Independent reporting accountant's report on regularity Year to 31 August 2021**

### **Approach (continued)**

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.

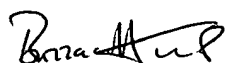
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

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

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

Date 16 December 2021

## Statement of financial activities Year to 31 August 2021

			Restricted funds			
	Notes	Unrestricted general fund £'000	General £'000	Fixed assets fund £'000	2021 Total funds £'000	2020 Total funds £'000
<b>Income and endowments from:</b>						
Donations and capital grants	1	22	—	489	511	1,115
. Transfer on conversion	22	—	—	—	—	2,197
Charitable activities:						
. Funding for the academy trust's educational operations	3	78	15,160	—	15,238	14,501
Other trading activities	2	89	204	—	293	308
<b>Total</b>		<b>189</b>	<b>15,364</b>	<b>489</b>	<b>16,042</b>	<b>18,121</b>
<b>Expenditure on:</b>						
Raising funds	4	3	—	—	3	23
Charitable activities						
. Academy trust educational operations	5	160	16,053	919	17,132	15,967
<b>Total</b>		<b>163</b>	<b>16,053</b>	<b>919</b>	<b>17,135</b>	<b>15,990</b>
<b>Net income/(expenditure)</b>		<b>26</b>	<b>(689)</b>	<b>(430)</b>	<b>(1,093)</b>	<b>2,131</b>
<b>Transfers between funds</b>	14	<b>(29)</b>	<b>(94)</b>	<b>123</b>	<b>—</b>	<b>—</b>
<b>Other recognised losses</b>						
Actuarial losses on defined benefit pension scheme	18	—	(1,488)	—	(1,488)	(1,446)
<b>Net movement in funds</b>		<b>(3)</b>	<b>(2,271)</b>	<b>(307)</b>	<b>(2,581)</b>	<b>685</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September 2020		219	(8,632)	26,831	18,418	17,733
<b>Total fund balances carried forward at 31 August 2021</b>		<b>216</b>	<b>(10,903)</b>	<b>26,524</b>	<b>15,837</b>	<b>18,418</b>

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

All recognised gains and losses are included in the Statement of Financial Activities.

## Balance sheet Year to 31 August 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
<b>Fixed assets</b>					
Tangible fixed assets	11		26,411		26,768
<b>Current assets</b>					
Debtors	12	347		409	
Cash at bank and in hand		1,177		793	
		<u>1,524</u>		<u>1,202</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	(675)		(579)	
<b>Net current assets</b>			849		623
<b>Total assets less current liabilities</b>			27,260		27,391
Creditors: amounts falling due after more than one year	13		(111)		(136)
<b>Net assets excluding pension scheme liability</b>			27,149		27,255
Defined benefit pension scheme liability	18		(11,312)		(8,837)
<b>Total net assets</b>			<u>15,837</u>		<u>18,418</u>
<b>Funds of the Academy</b>					
<b>Restricted funds</b>					
Fixed assets fund	14		26,524		26,831
Restricted income fund	14		409		205
Pension reserve	14		(11,312)		(8,837)
<b>Total restricted funds</b>			<u>15,621</u>		<u>18,199</u>
<b>Unrestricted income funds</b>					
General fund	14		216		219
<b>Total funds</b>			<u>15,837</u>		<u>18,418</u>

The financial statements were approved by the Governors and are signed on their behalf by:

*M. J. Cole*

Chair of Directors

Kennet School Academies Trust  
Company Limited by Guarantee  
Registration Number: 07543874 (England and Wales)

Date: 7 December 2021

## Cash flow Statement Year to 31 August 2021

	Note	2021 £'000	2020 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	A	482	(3,679)
<b>Cash flows from investing activities</b>	C	(73)	3,984
<b>Cash inflow from financing activities</b>	B	(25)	(6)
<b>Cash inflow from transfers in</b>			213
<b>Change in cash and cash equivalents in the year</b>		<b>384</b>	<b>512</b>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
<b>Cash and cash equivalents at 1 September 2020</b>		<b>793</b>	<b>281</b>
<b>Cash and cash equivalents at 31 August 2021</b>	D	<b>1,177</b>	<b>793</b>

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

	2021 £'000	2020 £'000
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>(1,093)</b>	<b>2,131</b>
Adjusted for:		
Inherited pension deficit	—	1,394
Donated tangible assets	(33)	(4,210)
Budget surplus on LA/other funds	—	(213)
Depreciation charges	919	898
Capital grants from DfE and other capital income	(456)	(4,489)
Defined benefit pension scheme cost less contributions payable	845	538
Defined benefit pension scheme finance cost	142	127
(Increase)/decrease in debtors	62	31
Increase/(decrease) in creditors	96	114
<b>Net cash provided by / (used in) Operating Activities</b>	<b>482</b>	<b>(3,679)</b>

### B Cash flows from financing activities

	2021 £'000	2020 £'000
Repayments of borrowing	(25)	(23)
Cash inflows from new borrowing	—	17
<b>Net cash provided by/(used in) Financing Activities</b>	<b>(25)</b>	<b>(6)</b>

## Cash flow Statement Year to 31 August 2021

### C Cash flows from investing activities

	2021 £'000	2020 £'000
Purchase of tangible fixed assets	(529)	(505)
Capital grants from DfE and other capital income	451	4,484
Capital funding received from sponsors and others	5	5
<b>Net cash provided (used in)/ by Operating activities</b>	<b>(73)</b>	<b>3,984</b>

### D Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash in hand and at bank	1,177	793
<b>Total cash and cash equivalents</b>	<b>1,177</b>	<b>793</b>

### E Analysis of changes in net debt

	At 1 September 2020 £'000	Cash flows £'000	Other non- cash changes	At 31 August 2021 £'000
Cash	793	384	—	1,177
	793	384		1,177
Loans falling due within one year	(25)	25	(25)	(25)
Loans falling due after more than one year	(136)	—	25	(111)
<b>Total</b>	<b>632</b>	<b>(25)</b>	<b>—</b>	<b>1,041</b>

## **Principal accounting policies Year to 31 August 2021**

### **Statement of accounting policies**

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

### **Basis of preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

### **Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

### **Income**

All income is 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.

## **Principal accounting policies Year to 31 August 2021**

### **Income (continued)**

#### ***Grants (continued)***

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

#### ***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 period it is receivable and to the extent that the academy trust has provided the goods or services.

### **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 that contribute to more than one activity and support costs that 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.

#### ***Expenditure on raising funds***

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

#### ***Charitable activities***

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 stated net of recoverable VAT.

## Principal accounting policies Year to 31 August 2021

### Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

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

Leasehold Buildings at Conversion	3% pa
Leasehold Buildings	2% pa
Leasehold Buildings – Roof Components	4% and 6.67% pa
Leasehold Building – Portable Building Components	5% pa
Freehold Buildings	2% pa
Furniture and Equipment	20% pa
Computer Equipment	25% pa
Mini Buses	20% pa

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.

### 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.

### Leased assets

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

## Principal accounting policies Year to 31 August 2021

### Financial instruments

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

### Taxation

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

### Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

## **Principal accounting policies Year to 31 August 2021**

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

The LGPS is a funded 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.

### **Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the ESFA (and its predecessor Young People's Learning Agency), Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted ESFA funds comprise all other grants received from the ESFA.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority.

### **Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances are disclosed in note 20.

### **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.

## Principal accounting policies Year to 31 August 2021

### Critical accounting estimates and areas of judgement (continued)

#### *Critical accounting estimates and assumptions*

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

- ◆ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2021. 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.
- ◆ Estimating the useful economic life of fixed assets for the purpose of calculating depreciation.

## Notes to the financial statements Year to 31 August 2021

### 1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2021 Total £'000
Capital grants	—	—	451	451
Donated fixed & current assets	—	—	33	33
Other donations	22	—	5	27
	22	—	489	511

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2020 Total £'000
Capital grants	—	—	245	245
Donated fixed & current assets	—	—	832	832
Other donations	29	4	5	38
	29	4	1,082	1,115

### 2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2021 Total £'000
Hire of facilities	42	4	46
Income from other charitable activities	—	188	188
Income from ancillary trading activities	47	12	59
	89	204	293

	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000
Hire of facilities	43	12	55
Miscellaneous income	45	208	253
	88	220	308

## Notes to the financial statements Year to 31 August 2021

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

	Unrestricted funds £'000	Restricted funds £'000	2021 Total £'000
<b>DfE / EFA grants</b>			
. General Annual Grant (GAG)	—	12,797	<b>12,797</b>
. Other DfE / ESFA grants	—	737	<b>737</b>
. UIFSM	—	135	<b>135</b>
. Pupil Premium	—	440	<b>440</b>
	<u>—</u>	<u>14,109</u>	<u><b>14,109</b></u>
<b>Other Government grants</b>			
Local authority grants	—	746	<b>746</b>
Special educational projects	—	—	<b>—</b>
	<u>—</u>	<u>746</u>	<u><b>746</b></u>
Other income from the academy trust's educational operations	78	—	<b>78</b>
<b>Coronavirus additional funding (DfE/ESFA)</b>			
Catch-up premium	—	258	<b>258</b>
Other DfE/ESFA Coronavirus funding	—	47	<b>47</b>
	<u>—</u>	<u>305</u>	<u><b>305</b></u>
<b>Exceptional government funding</b>			
Coronavirus Job Retention Scheme grant	—	—	<b>—</b>
Other Coronavirus funding	—	—	<b>—</b>
	<u>78</u>	<u>15,160</u>	<u><b>15,238</b></u>

- The trust received £258,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £199,000, with the remaining £59,000 to be spent in 2021/22.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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

	Unrestricted funds £'000	Restricted funds £'000	2020* Total £'000
<i>DfE/ESFA grants</i>			
General annual grant (GAG)	—	12,252	12,252
Other DfE / ESFA grants			
· UIFSM	—	154	154
· Pupil Premium	—	420	420
· Other DfE grants	—	737	737
	<u>—</u>	<u>13,563</u>	<u>15,563</u>
<i>Other government grants</i>			
Local authority grants	—	667	667
	<u>—</u>	<u>667</u>	<u>667</u>
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Catch-up premium	—	—	—
Other DfE/ESFA COVID-19 funding	—	41	41
<b>COVID-19 additional funding (non-DfE /ESFA)</b>			
Coronavirus Job Retention Scheme grant	—	—	—
Other COVID-19 funding	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
<i>Other income from the Academy Trust's educational operations</i>	201	29	230
<b>2020 total funds</b>	<u>201</u>	<u>14,300</u>	<u>14,501</u>

The academy trust has been eligible to claim exceptional costs associated with COVID 19 for the period March to July 2020. The funding received is shown above under "exceptional government funding" and has been included under GAG funding in Note 16. The funding received for coronavirus exceptional support covers three areas of reclaimed costs as detailed below and these costs have been included in notes 4, 5 and 6 as appropriate.

Premises related costs over school holiday periods (£16,816).

Free School Meal costs other than through the national voucher scheme.(£11,304)

Additional cleaning from confirmed or suspected cases of COVID-19 (£12,039).

## Notes to the financial statements Year to 31 August 2021

### 4 Expenditure

	Staff costs £'000	Premises £'000	Other £'000	2021 Total £'000
Expenditure on raising funds:				
. Allocated support costs	3	—	—	3
Academy's educational operations:				
. Direct costs	11,805	712	1,303	13,820
. Allocated support costs	1,851	871	590	3,312
<b>2021 total funds</b>	<b>13,659</b>	<b>1,583</b>	<b>1,893</b>	<b>17,135</b>

	Staff costs £'000	Premises £'000	Other £'000	2020 Total £'000
Expenditure on raising funds:				
. Allocated support costs	22	1	—	23
Academy's educational operations:				
. Direct costs	10,975	898	1,105	12,978
. Allocated support costs	1,661	744	584	2,989
<b>2020 total funds</b>	<b>12,658</b>	<b>1,643</b>	<b>1,689</b>	<b>15,990</b>

	2021 £'000	2020 £'000
<b>Net income/(expenditure) for the year includes:</b>		
Operating lease rentals	1	1
Depreciation	919	898
Fees payable to auditor for		
. Audit	14	15
. Other services	—	10

### 5 Charitable activities

	2021 Total funds £'000	2020 Total funds £'000
Direct costs – educational operations	13,820	12,978
Support costs – educational operations	3,312	2,989
	<b>17,132</b>	<b>15,967</b>

	2021 Total funds £'000	2020 Total funds £'000
<b>Analysis of support costs</b>		
Support staff costs	1,851	1,661
Depreciation	207	191
Premises costs	871	744
Legal costs – other	1	3
Other support costs	330	326
Governance costs	52	64
<b>Total support costs</b>	<b>3,312</b>	<b>2,989</b>

## Notes to the financial statements Year to 31 August 2021

### 6 Staff

#### (a) Staff costs

Staff costs during the year were:

	2021 Total funds £'000	2020 Total funds £'000
Wages and salaries	9,637	9,104
Social security costs	941	869
Pension costs	2,934	2,483
	<b>13,512</b>	<b>12,456</b>
Staff supply costs	147	202
Staff restructuring costs	—	—
	<b>13,659</b>	<b>12,658</b>

#### (b) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy during the period expressed as average headcount and as full time equivalents was as follows.

	2021 No.	2020 No.
Teachers	167	163
Administration and support	208	213
Management	12	10
	<b>387</b>	<b>385</b>

	2021 FTE.	2020 FTE.
Teachers	150	143
Administration and support	123	121
Management	12	10
	<b>285</b>	<b>275</b>

#### (c) Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	5	2
£70,001 - £80,000	1	3
£80,000 - £90,000	1	—
£90,001 - £100,000	—	1
£100,001-£110,000	1	—

## Notes to the financial statements Year to 31 August 2021

### 6 Staff (continued)

#### (d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for the services to the academy trust was £979,000 (2020 – £903,000).

The Executive Head has been reimbursed as an employed member of staff for four expense claims totalling £463 (2020 – £142).

These were reimbursements to directors in their role as employees.

### 7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2020 between restricted and unrestricted funds:

		Unrestricted general fund £'000	Restricted funds		2020 Total funds £'000
	Notes	£'000	General £'000	Fixed assets fund £'000	£'000
<b>Income and endowments from:</b>					
Donations and capital grants	1	29	4	1,082	1,115
Transfer on conversion	22	136	(1,346)	3,407	2,197
Charitable activities:					
Funding for the academy trust's educational operations	4	201	14,300	—	14,501
Other trading activities	2	88	220	—	308
<b>Total</b>		<b>454</b>	<b>13,178</b>	<b>4,489</b>	<b>18,121</b>
<b>Expenditure on:</b>					
Raising funds	5	23	—	—	23
Charitable activities					
Academy trust educational operations	6	235	14,834	898	15,967
<b>Total</b>		<b>258</b>	<b>14,834</b>	<b>898</b>	<b>15,990</b>
<b>Net income/(expenditure)</b>		<b>196</b>	<b>(1,656)</b>	<b>3,591</b>	<b>2,131</b>
<b>Transfers between funds</b>	14	<b>(14)</b>	<b>(271)</b>	<b>285</b>	<b>—</b>
<b>Other recognised losses</b>					
Actuarial losses on defined benefit pension scheme	18	—	(1,446)	—	(1,446)
<b>Net movement in funds</b>		<b>182</b>	<b>(3,373)</b>	<b>3,876</b>	<b>685</b>
<b>Reconciliation of funds</b>					
Total fund balances brought forward at 1 September 2019		37	(5,259)	22,955	17,733
<b>Total fund balances carried forward at 31 August 2020</b>		<b>219</b>	<b>(8,632)</b>	<b>26,831</b>	<b>18,418</b>

## Notes to the financial statements Year to 31 August 2021

### 8 Related party transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the multi 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. If this is not the case, payments must be disclosed separately. The value of trustees' remuneration and other benefits was as follows:

	2021 £'000	2020 £'000
Mrs G L Piper (Executive Headteacher and Trustee)		
. Remuneration	100-105	95-100
. Employer's pension contributions	20-25	20-25
Mr M Keogh (Staff Trustee)		
. Remuneration	35-40	30-35
. Employer's pension contributions	5-10	5-10
Mr M Irving (Headteacher Whitelands Park and Trustee)		
. Remuneration	—	5-10
. Employer's pension contributions	—	0-5

### 9 Trustees' and Officers' insurance

The academy trust has opted in to the Department for Education's risk protection arrangements (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.

### 10 Central services

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

- ♦ Human resources;
- ♦ Financial services;
- ♦ Legal services;
- ♦ Educational support services;
- ♦ IT services and
- ♦ Estate Management and site project support.

The Academy Trust charges for these costs on the basis of pupil numbers.

The actual amounts charged during the year were as follows:

	2021 £'000	2020 £'000
Kennet School	94	77
Whitelands Park Primary School	18	12
Francis Bailly	31	29
	143	118

## Notes to the financial statements Year to 31 August 2021

### 10 Central services (continued)

The Trust has delayed Whitelands full 2020-21 central services contribution. This enabled the school to recruit a teacher and add a whole class as it grows rather than operate mixed classes. It is expected that this will be repaid in 2021-22 when lagged funding follows the growth. Pupil Numbers have grown from 342 in 2019-20 to 358 in 2020-21 and are 372 in 2021-22. The school has a capacity of 419 and from 2020-21 has run its full complement of 14 classes.

### 11 Tangible fixed assets

	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost/valuation</b>					
At 1 September 2020	31,094	991	1,975	80	34,140
Donated assets on acquisition	—	—	33	—	33
Additions	245	253	31	—	529
At 31 August 2021	31,339	1,244	2,039	80	34,702
<b>Depreciation</b>					
At 1 September 2020	4,726	697	1,880	69	7,372
Charge in the year	712	138	63	6	919
At 31 August 2021	5,438	835	1,943	75	8,291
<b>Net book value</b>					
At 31 August 2021	25,901	409	96	5	26,411
At 31 August 2020	26,368	294	95	11	26,768

#### ***Buildings transferred upon conversion***

No academies joined the group or opened during 2020/21 (2019/20 – one). Further details of this transfer are included in note 21.

### 12 Debtors

	2021 £'000	2020 £'000
Trade debtors	5	59
VAT recoverable	22	34
Prepayments and accrued income	320	316
	<b>347</b>	<b>409</b>

## Notes to the financial statements Year to 31 August 2021

### 13 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	300	119
Taxation and social security	230	206
Other creditors	26	25
Accruals and deferred income	119	229
	<b>675</b>	<b>579</b>

	2021 £'000	2020 £'000
<b>Deferred income</b>		
Deferred income at 1 September 2020	112	35
Released during the year	(112)	(35)
Resources deferred in the year	12	112
Deferred income at 31 August 2021	<b>12</b>	<b>112</b>

Deferred income relates to balances pupils hold on cashless catering at the year end.

	2021 £'000	2020 £'000
SALIX loans	111	136
	<b>111</b>	<b>136</b>

Other creditors comprise solely of SALIX loans. The Trust has five SALIX loans, which are provided are nil interest and repayable over 8 years through deductions applied by the ESFA to September and March remittance payments. Three SALIX loans are attached to Condition Improvement Funding (CIF) for replacement window and boiler projects. The fourth is through SALIX Energy Efficiency Fund for a LED lighting upgrade project. In all four cases, repayments are funded through energy savings from the projects. The fifth loan relates to roofing works at Kennet School

Each project has its own repayment schedule and a sum of £12,778 is due in September 2021 and £12,778 is due in March 2022. The remaining payments totalling £110,378 are included above with the final payment scheduled for March 2028.

# Notes to the financial statements Year to 31 August 2021

## 14 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	107	12,797	(12,521)	(94)	289
Other DfE/ESFA grants					
· UIFSM	—	135	(135)	—	—
· Pupil Premium	—	440	(440)	—	—
· Catch up Premium	—	258	(199)	—	59
· Other DfE/ESFA					
Coronavirus	—	47	(47)	—	—
· Coronavirus Job Retention Scheme	—	—	—	—	—
· Other Coronavirus Funding	—	—	—	—	—
· Donated current assets on conversion and acquisition	—	—	—	—	—
· Other grants	100	1,483	(1,522)	—	61
Other Restricted Income	(2)	204	(202)	—	—
· Pension reserve	(8,837)	—	(987)	(1,488)	(11,312)
<b>Total restricted funds</b>	<b>(8,632)</b>	<b>15,364</b>	<b>(16,053)</b>	<b>(1,582)</b>	<b>(10,903)</b>
<b>Restricted fixed asset funds</b>					
Donated Assets	23,356	38	—	—	23,394
DfE/ESFA capital grants	3,475	451	(919)	123	3,130
	<b>26,831</b>	<b>489</b>	<b>(919)</b>	<b>123</b>	<b>26,524</b>
<b>Unrestricted funds</b>					
General funds	219	189	(163)	(29)	216
<b>Total unrestricted funds</b>	<b>219</b>	<b>189</b>	<b>(163)</b>	<b>(29)</b>	<b>216</b>
	<b>18,418</b>	<b>16,042</b>	<b>(17,135)</b>	<b>(1,488)</b>	<b>15,837</b>

# Notes to the financial statements Year to 31 August 2021

## 14 Funds (continued)

### Comparative information

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	73	12,252	(11,947)	(271)	107
Pupil premium and other DfE grants	—	48	(48)	—	—
UIFSM	—	154	(154)	—	—
LA grants	—	420	(398)	(22)	—
Other restricted income	—	220	(244)	22	(2)
Other grants – DfE and LA	—	84	(16)	—	100
Pension reserve	(5,332)	—	(2,059)	(1,446)	(8,837)
<b>Total restricted funds</b>	<b>(5,259)</b>	<b>13,178</b>	<b>(14,834)</b>	<b>(1,717)</b>	<b>(8,632)</b>
<b>Restricted fixed assets fund</b>					
Transfer on conversion	19,117	4,239	—	—	23,356
DfE/EFA capital grants	3,838	245	(898)	—	3,185
Capital expenditure from GAG/Other	—	5	—	285	290
	<b>22,955</b>	<b>4,489</b>	<b>(898)</b>	<b>285</b>	<b>26,831</b>
<b>Total restricted funds</b>	<b>17,696</b>	<b>17,667</b>	<b>(15,732)</b>	<b>(1,432)</b>	<b>18,199</b>
<b>Unrestricted funds</b>					
General funds	37	318	(258)	(14)	83
Donated current assets on conversion and acquisition	—	136	—	—	136
<b>Total unrestricted funds</b>	<b>37</b>	<b>454</b>	<b>(258)</b>	<b>(14)</b>	<b>219</b>
<b>Total funds</b>	<b>17,733</b>	<b>18,121</b>	<b>(15,990)</b>	<b>(1,446)</b>	<b>18,418</b>

# Notes to the financial statements Year to 31 August 2021

## 14 Funds (continued)

### Analysis of fund balance by academy

Fund balances at 31 August 2021 were as follows:

	Total 2021 £'000	Total 2020 £'000
Francis Baily	302	252
Kennet School	321	171
Whitelands Park Primary School	2	1
<b>Total before fixed assets and pension reserve</b>	<b>625</b>	<b>424</b>
Restricted fixed asset fund	26,524	26,831
Pension reserve	(11,312)	(8,837)
<b>Total</b>	<b>15,837</b>	<b>18,418</b>

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2021 £'000
Francis Baily	1,864	352	262	220	2,698
Kennet	7,948	1,007	812	826	10,593
Whitelands Park Primary School	1,335	205	144	113	1,796
Central services	—	103	8	31	142
<b>Total net assets</b>	<b>11,147</b>	<b>1,667</b>	<b>1,225</b>	<b>1,190</b>	<b>15,229</b>

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2020 £'000
Kennet School	7,796	1,026	747	982	10,550
Whitelands Park Primary School	1,339	177	120	157	1,793
Francis Baily	1,841	409	184	204	2,638
Central services	—	70	5	43	118
<b>Total net assets</b>	<b>10,975</b>	<b>1,682</b>	<b>1,056</b>	<b>1,386</b>	<b>15,100</b>

## Notes to the financial statements Year to 31 August 2021

### 15 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented as follows:

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2021 £'000
Tangible fixed assets	—	—	26,411	26,411
Current assets	216	896	412	1,524
Current liabilities	—	(487)	(188)	(675)
Non-current liabilities	—	—	(111)	(111)
Pension scheme liability	—	(11,312)	—	(11,312)
<b>Total net assets</b>	<b>216</b>	<b>(10,903)</b>	<b>26,524</b>	<b>15,837</b>

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2020 £'000
Tangible fixed assets	—	—	26,768	26,768
Current assets	219	643	340	1,202
Current liabilities	—	(438)	(141)	(579)
Non-current liabilities	—	—	(136)	(136)
Pension scheme liability	—	(8,837)	—	(8,837)
<b>Total net assets</b>	<b>219</b>	<b>(8,632)</b>	<b>26,831</b>	<b>18,418</b>

### 16 Capital Commitments

	2021 £'000	2020 £'000
Contracted for, but not provided in the financial statements	1,769	13

The Trust was successful with the bids for two major DfE CIF 2021-22 projects for Kennet School. In July 2021 the Trust accepted the terms and conditions attached for the release of £1,856,128 of funding for the two projects in 2021-22. The first instalment was paid in September 2022 and at the year end £70,113 of this was accrued to equal the expenditure incurred on the two projects as at 31st August 2021.

### 17 Commitments under operating leases

	2021 £'000	2020 £'000
Amounts due within one year	1	1
Amounts due between one and five years	—	1
Amounts due after five years	—	—
	<b>1</b>	<b>2</b>

## 18 Pension and similar obligations

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

### *Teachers' Pension Scheme*

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

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

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

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

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

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

## Notes to the financial statements Year to 31 August 2021

### 18 Pension and similar obligations (continued)

#### **Valuation of the Teachers' Pension Scheme (continued)**

The pension cost paid to TPS in the period amounted to £2,174,319 (2020 – £2,051,982).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

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

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds.

The total contributions made for the year ended 31 August 2021 was £687,000 (2020 – £581,000), of which employer's contributions totalled £525,000 (2020 – £442,000) and employees' contributions totalled £162,000 (2020 – £139,000)

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government

Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2021</b>	<b>At 31 August 2020</b>
Rate of increase in salaries	<b>3.90%</b>	3.25%
Rate of increase for pensions in payment / inflation	<b>2.90%</b>	2.25%
Discount rate for scheme liabilities	<b>1.65%</b>	1.60%
Inflation assumption (CPI)	<b>2.60%</b>	2.25%
Commutation of pensions to lump sums	<b>50.0%</b>	50.0%

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

	<b>At 31 August 2021</b>	<b>At 31 August 2020</b>
<i>Retiring today</i>		
Males	<b>21.3</b>	21.5
Females	<b>24.0</b>	24.1
<i>Retiring in 20 years</i>		
Males	<b>22.6</b>	22.9
Females	<b>25.4</b>	25.5

# Notes to the financial statements Year to 31 August 2021

## 18 Pension and similar obligations (continued)

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

	At 31 August 2021	At 31 August 2020
<b>Sensitivity analysis</b>		
Discount rate +0.1%	(458)	(399)
Discount rate -0.1%	471	410
Mortality assumption – 1 year increase	708	556
Mortality assumption – 1 year decrease	(681)	(536)
CPI rate +0.1%	424	35
CPI rate -0.1%	(413)	(35)
	At 31 August 2021 £'000	At 31 August 2020 £'000
<b>The academy trust's share of the assets in the scheme were</b>		
Less than 1%	6,138	4,925
	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equity	3,748	2,875
Bonds	1,093	645
Property	723	699
Cash	127	467
Other	447	239
<b>Total market value of assets</b>	<b>6,138</b>	<b>4,925</b>
<b>Present value of scheme liabilities</b>		
· Funded	(17,450)	(13,762)
<b>Deficit in the scheme</b>	<b>(11,312)</b>	<b>(8,837)</b>
	2021 £'000	2020 £'000
<b>Amounts recognised in statement of financial activities</b>		
Current service cost (net of employment contributions)	1,370	980
Net interest cost	137	124
Admin expenses	5	3
<b>Total operating charge</b>	<b>1,512</b>	<b>1,107</b>
<b>Analysis of pension finance income/(costs)</b>		
Administrative expenses	(5)	(3)
Net interest cost	(137)	(124)
<b>Pension finance income/(costs)</b>	<b>(142)</b>	<b>(127)</b>

## Notes to the financial statements Year to 31 August 2021

### 18 Pension and similar obligations (continued)

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

Changes in the present value of defined benefit obligations were as follows:	2021 £'000	2020 £'000
Scheme obligations as at 1 September	(13,762)	(8,933)
Inherited on conversion	—	(2,290)
Change in demographic assumptions	177	292
Current service cost	(1,370)	(980)
Interest cost	(221)	(214)
Employee contributions	(162)	(139)
Actuarial (loss)	(2,480)	(1,092)
Benefits paid	96	59
Past service cost	272	(465)
<b>At 31 August</b>	<b>(17,450)</b>	<b>(13,762)</b>

Changes in the fair value of the Academy's share of scheme assets:	2021 £'000	2020 £'000
Fair value of scheme assets at 1 September	4,925	3,601
Inherited assets	—	896
Interest income	84	90
Admin costs	(5)	(3)
Actuarial (loss)/gain	—	(293)
Expected return on assets	543	112
Employer contributions	525	442
Employee contributions	162	139
Benefits paid	(96)	(59)
<b>At 31 August</b>	<b>6,138</b>	<b>4,925</b>

### 19 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £13,268 and disbursed £19,338 from the fund. An amount of £2,560 is included in other creditors relating to undistributed funds that would be repayable to ESFA if it remains unspent by the end of 2020-21. Comparatives for the accounting period ending 31 August 2020 are £16,090 received, £9,518 disbursed and £8,630 included in other creditors.

The Academy Trust does not hold any Bursary Funding from any prior year that would be repayable to the ESFA.

## Notes to the financial statements Year to 31 August 2021

### 20 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board may have 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 and one has been required to be notified to the ESFA in 2020-21. This was for a sum of £5,114 payable to Elisabeth Crossman, Director for the provision of Leadership Coaching following a tender conducted in accordance with the Trust's financial procedures and DfE notification given in April 2021 in advance of delivery.

There were no related party transactions declared in the year ended 31 August 2020.

### 21. Transfer from Local Authority on conversion

During the year ended 31 August 2020, one academy joined the MAT. At the date of conversion to Academy status under the Academies Act 2010, the operations and assets and liabilities were transferred to the group for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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 £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total £'000
Tangible fixed assets				
· Leasehold land and buildings	—	—	3,325	3,325
· Other tangible fixed assets	—	—	53	53
LGPS pension surplus / (deficit)	—	(1,394)	—	(1,394)
Cash	136	48	29	213
<b>Net assets / (liabilities)</b>	<b>136</b>	<b>(1,346)</b>	<b>3,407</b>	<b>2,197</b>