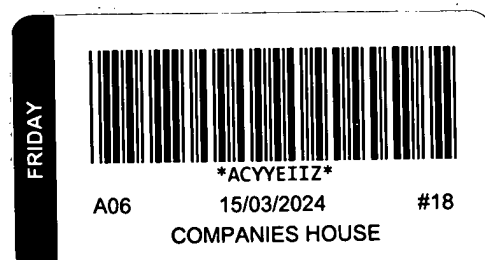


Company Registration Number: 07736448 (England & Wales)

Tenterden Schools Trust
(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 August 2023



Tenterden Schools Trust
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Rev Canon L Hammond N Vincer (resigned 7 August 2023) S Lees (resigned 15 November 2022) C Thomas (appointed 7 August 2023) The Diocese of Canterbury Academies Company Limited
Trustees	M Hill G Jones K Smith C Thomas N Vincer (resigned 19 July 2023) J Vos P Harris (appointed 1 February 2023) M Hazell (appointed 28 March 2023) D Irvine (appointed 23 May 2023) R Swansbury, appointed by the Diocese of Canterbury Academies Ltd (appointed 12 December 2022) K Bishop (appointed 21 April 2022, resigned 15 October 2022)
Company registered number	07736448
Company name	Tenterden Schools Trust
Principal and registered office	Homewood School & Sixth Form Centre Ashford Road Tenterden Kent TN30 6LT
Company secretary	Mrs K Douglas
Senior management team	S Reeves, Chief Executive Officer N Callingham, HR Director N Orpin, Finance Director V Riedy, Facilities Director T McIntosh, Executive Head (Tenterden Primary Federation) T Sainter, Head of School (Tenterden Primary Federation) S Williamson, Executive Head (St Michael's CofE Primary school) J Single, Principal (Homewood School & Sixth Form Centre) B Vincer, Head of School (Rolvenden Primary School) S Browne, Vice Principal (Homewood School & Sixth Form Centre) H Scarisbrick, Vice Principal (Homewood School & Sixth Form Centre) H Tester, Head of School (John Mayne CofE Primary School) J Pashkin, Head of School (St Michael's CofE Primary School)
Independent auditor	Kreston Reeves LLP Chartered Accountants Statutory Auditor Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU

Tenterden Schools Trust
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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
For the year ended 31 August 2023

Bankers

Lloyds TSB Plc
81 High Street
Ashford
Kent
TN24 0HB

Tenterden Schools Trust
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Trustees' report
For the year ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditors' report of the Trust for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates 5 primary academies and 1 secondary academy in the town of Tenterden and surrounding villages in Kent. Its academies have a combined pupil capacity of 3,028 and had a roll of 1,962 in the school census of 5 October 2023. 3 of the schools are Church of England Primary Schools.

Structure, governance and management

a. Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

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

The trustees act as the governors for the charitable activities of Tenterden Schools Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Tenterden Schools Trust.

The charitable company is known as Tenterden Schools Trust.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative details on page one. 1.

b. Members' liability

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

c. Trustees' indemnities

No third party provisions were made during the year, including the Diocese of Canterbury.

d. Method of recruitment and appointment or election of Trustees

The Members shall appoint up to 9 Trustees and the Diocese of Canterbury Academies Trust Limited shall appoint up to 3 Trustees provided this does not exceed 25% of the total number of Trustees. The Members have not appointed any staff Trustees and the CEO has chosen not to be a Trustee. New Trustees are recruited via advertisements on the Trust website or through the use of recruitment agencies. In either event, there is an application, shortlisting, checking and interview process. New Trustee advertisements are as a result of gaps that appear in the annual skills audit. The results of the skills audit is presented to the Board at least annually.

Tenterden Schools Trust
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Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

New Trustees have an induction process that includes a discussion with a member of the Board and the CEO and a tour of the estate. The induction programme begins with a series of activities, stored on the Governor Hub portal which includes the Academy Trust Handbook, the NGA Governing a Multi Academy Trust, A Guide to Trust accounts, the role of Trustees during an OfSTED inspection and the SIAMS framework. The annual skills audit highlights areas of training and we use Governor Hub Knowledge (formerly the Key for School Governors) for training programmes.

f. Organisational structure

The Trust has 3 Members. Members appoint (and can remove) the Trustees. The Trustees are responsible for:

- strategic leadership of the Trust, defining the Trust vision and fostering the Trust culture.
- robust and effective oversight of the operations of the Trust including educational performance, safeguarding, estate safety and effective financial performance
- oversight of relationships and engagement with stakeholders

The Trust Board delegates responsibilities to the following committees:

- Audit and Risk
- Finance and Resources
- Curriculum Standards
- Chairs' Forum
- Local Governing Boards

The Chief Executive Officer is the Accounting Officer for the Trust

Organisational Structure of Subsidiaries

The Trust operates one subsidiary company which is Home Farm Children's Nursery Ltd. Company number 05925303 Registered charity number 1092566. The Trust has 100% control as the sole Member and appoints Trustees to the company. Home Farm Children's Nursery provides education provision to children of ages 2 months to 4 years old. There is a close link between the nursery and the primary schools and many children move into Year R in the Trust primary schools.

g. Arrangements for setting pay and remuneration of key management personnel

The Trust has a Pay Review Committee which is made up of 3 Trustees and the CEO. The committee meets in October/November each year to review the pay decisions made by the Headteacher/Principal of each school. The committee also meets to review the pay decisions made by the CEO of the Headteacher/Principal of each school and the Central Services Directors.

Two Trustees and an externally appointed adviser are involved in the annual appraisal process for the CEO.

Tenterden Schools Trust
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Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
---	-----

i. Related parties and other connected charities and organisations

There are no related party transactions.

j. Engagement with employees (including disabled persons)

We will give full and fair consideration and ensure the equal treatment of disabled applicants for any vacancy and candidates will be considered solely on their ability to do the job. Wherever possible, after any necessary rehabilitation training, we will seek to retain or transfer to more suitable work, any otherwise capable employees who become disabled during their employment with us. We will provide disabled employees the same opportunities for promotion, career development and training to those afforded to other employees. The Trust consults with employees and recognised unions to promote harmonious working relationships. Meetings are held termly with all staff to disseminate information regarding matters affecting them. Consultation always takes place in the event of proposed changes to terms and conditions, pay and performance management policies and employment policies and procedures.

k. Engagement with suppliers, customers and others in a business relationship with the Academy

The Trust recognises the importance of fostering good relationships with local businesses, suppliers, those who hire our facilities and other stakeholders. The Trust takes its position within the local community seriously, contributing and participating in local events and supporting local charities, usually promoting the Mayor of Tenterden's chosen charities each year.

Tenterden Schools Trust
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Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

Objectives and activities

a. Objects and aims

The main object of the academy trust is to provide a broad and balanced curriculum across the full ability range for pupils aged from birth to 19.

b. Objectives, strategies and activities

During the 2022/23 year, the following objectives were achieved:

Strategic governance that exemplified ethical standards in-line with the Nolan Principles
Strong school improvement models that led to improved standards
High quality, inclusive education that provided for all pupils
Strong and effective financial management leading to value for money
Strong HR practice that led to high quality recruits and excellent training and development
Increasing in size with the addition of an extra primary school

c. Public benefit

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. Our nursery provision has allowed many parents to return to work earlier than normal, our schools have provided a wide range of opportunities for young people and our careers service has broadened pupils' horizons when considering the world of work. The Trust is non-selective in a selective area and welcomes pupils from all backgrounds, regardless of ability in the Tenterden and surrounding area.

Strategic report

Achievements and performance

Strong governance has been achieved by the recruitment of 4 new Trustees who have brought new and varied skills to the Board. New committee structures that include newly formed Finance and Resources and Curriculum Standards Committees have allowed more focussed challenge and support.

Strong school improvement models have led to improvements in standards. All of the schools within the Trust are OfSTED and SIAMS category 'Good' or better. The secondary school has improved from 'Requires Improvement' to 'Good' and one primary has improved from SIAMS 'Good' to 'Excellent'. One nursery has moved from OfSTED 'Requires Improvement' to 'Good'.

High quality, inclusive education has been achieved with the development of a Trust-wide SEND group, focussing on the educational needs of some of our most vulnerable pupils. Numbers of pupils with SEND in the Sixth Form have increased demonstrating the Trust's ability to provide a good educational experience for all pupils.

Strong and effective financial management has led to a modest surplus and a contribution to Trust reserves. The Trust has a positive ratio of Assets to liabilities.

Strong HR practices have led to all schools being fully staffed, a relatively low staff turnover of around 5% and staff engagement surveys showing good staff morale.

The Trust has grown in size with the addition of John Mayne Church of England Primary school after Governors

Tenterden Schools Trust
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Trustees' report (continued)
For the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

voted unanimously to join the Trust.

a. Key performance indicators

School	Attendance	Academic performance (Nationals: Reading 73%, Writing 71%, Maths 73%)
Homewood	91%	5+ En+Ma 27%, A8 39.31, APS 3.24, P8 -0.17
T. Juniors	94%	Reading 56%, Writing 65%, Maths 49%
St. Michael's	95%	Reading 75%, Writing 60%, Maths 70%
John Mayne	95%	Reading 54%, Writing 63%, Maths 45%
Rolvenden	95%	Reading 81%, Writing 75%, Maths 69%

b. Going concern

The Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Trustees have based this opinion on an in-year financial surplus, a contribution to unrestricted reserves, favourable OfSTED and SIAMS outcomes, sound pupil numbers, low staff turnover, a good local reputation and strong governance.

c. Promoting the success of the company

Trustees take seriously their role in securing the future for young people in Tenterden and the surrounding villages. The Trust promotes educational excellence, making sure that its pupils thrive in successful schools and that they are ready for what the future has in store for them. The Trust recognises its key position within the community and servicing its needs with excellent Church and Community schools for pupils of all abilities and backgrounds. The unique nature of the Trust, having schools of all phases, ensures that a continuous all-through educational experience is on offer, creating smooth transitions between those phases.

Financial review

The majority of the trust's income is from grant funding from the Education and Skills Funding Agency (ESFA) from recurrent grants restricted to particular purpose. The grants received during the year and associated expenditure are shown in restricted funds in the Statement of Financial Activities.

The trust also receives grants for fixed assets from the ESFA. In accordance with the Charities SORP, such grants are shown in restricted income in the Statement of Financial Activities. ~

The trust were successful in obtaining Condition Improvement grant funding of £4.7m across four sites: Homewood School and Sixth Form Centre, Tenterden Infant School, Tenterden CoE Junior School and St Micheal's CoE Primary School.

Amongst the backdrop of high inflation and high energy costs the financial performance remains strong. The principal risks and uncertainties included high inflation, energy costs and late decisions regarding teacher

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Trustees' report (continued)
For the year ended 31 August 2023

Strategic report (continued)

and associate staff pay increase.

Financial risks were dealt with by swift and prudent reforecasting.

Going forward key challenges include reducing student numbers in the local area, the opening of another nearby school, cancellation of rural bus routes in Kent and the increase in the severity and number of SEND students.

At the 31st August 2023 the trust added £68k to unrestricted reserves. This is despite the challenges mentioned above. The current assets to current liabilities ratio is 3.4 at 31st August 2023, this includes unspent Condition Improvement Fund grant income. When removed the current asset to current liabilities ratio is 1.6.

There are no funds or subsidiaries that are materially in deficit at the 31st August 2023.

The release of funds from the Education and Skills Funding Agency approved sale of land at Appledore Road, which completed on 7th September 2023, will be reinvested, subject to Board approval, in the following projects:

- Improvements to sixth form accommodation allowing increased number of students to attend
- Upgrading the current playing fields to allow them to be used all year round.
- Investment in a new farm building

a. Reserves policy

The Trust are building reserves to 5% of GAG income over the next 4 years, we are currently at 2.3%. Building/Holding reserves for unforeseen circumstances and to facility the smooth transition of new schools into the Trust.

b. Investment policy

In 2022-23 there were no investments made on the money market. All funds were held in current account balances but we will consider using the money markets when rates may rise moving forward. Short and longer term investments are available via Lloyds Bank PLC. The Trustees are comfortable that given the cash flow needs of the trust, best possible use is made of the investments available.

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Trustees' report (continued)
For the year ended 31 August 2023

c. Principal risks and uncertainties

Risk	Risk Reference Number (and link to Development Plan)	Likelihood of occurring (5=highly probable & 1=remote)	Impact if occurs (5=extreme & 1=insignificant)	Total Risk (L x I) +1	Response (transfer, tolerate, treat or terminate)	Control procedures and target date if specific
Serious Safeguarding concerns	E2 (DP 1.11)	4	5	25	Treat	Annual Statement of Assurance
High levels of persistent absence	E5 (DP 3.0)	4	4	20	Treat	School Improvement model/ASC scrutiny/Local board monitoring
Increased number and severity of SEND	E7 (DP 3.0)	5	3	18	Treat	Trust SEND strategy/KCC SEND offer/training/recruitment
High Energy costs	F3 (DP 4.0)	3	5	20	Treat	Monthly management accounts/Budget review/Expenditure reduction measures/reduced headcount
High rate of inflation	F4 (DP 4.0)	5	4	24	Treat	Monthly management accounts/Budget review/Expenditure reduction measures/reduced headcount
Recruitment and retention	H1	3	5	20	Treat	Attractive conditions/timely adverts/smooth onboarding
Lack of investment in CAPEX (hardware replacement)	T1	5	4	24	Treat	Sinking fund/budgets/top slice
Cyber security	T2	3	5	20	Treat	Cyber essentials kite mark/back ups to safe store/virus checking

Fundraising

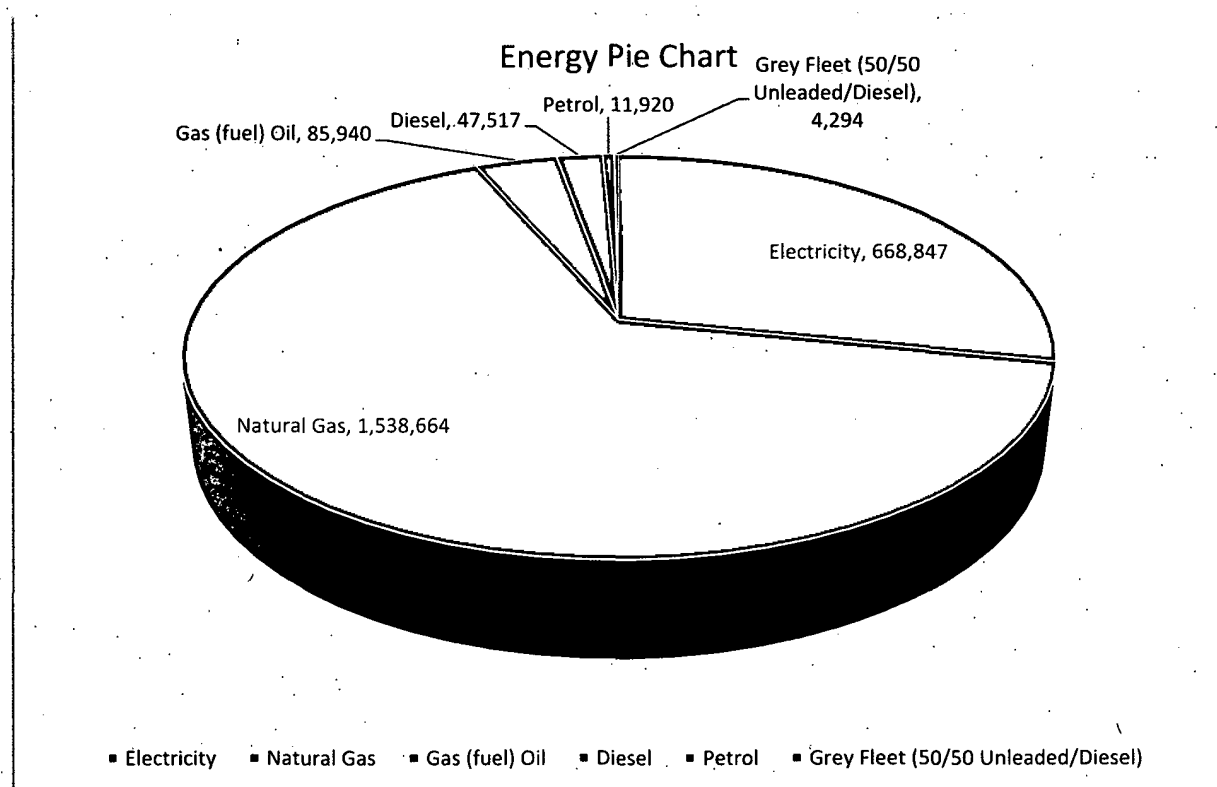
There has been no fundraising over the year and, consequently, there have been no complaints linked to fundraising

Tenterden Schools Trust
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Trustees' report (continued)
For the year ended 31 August 2023

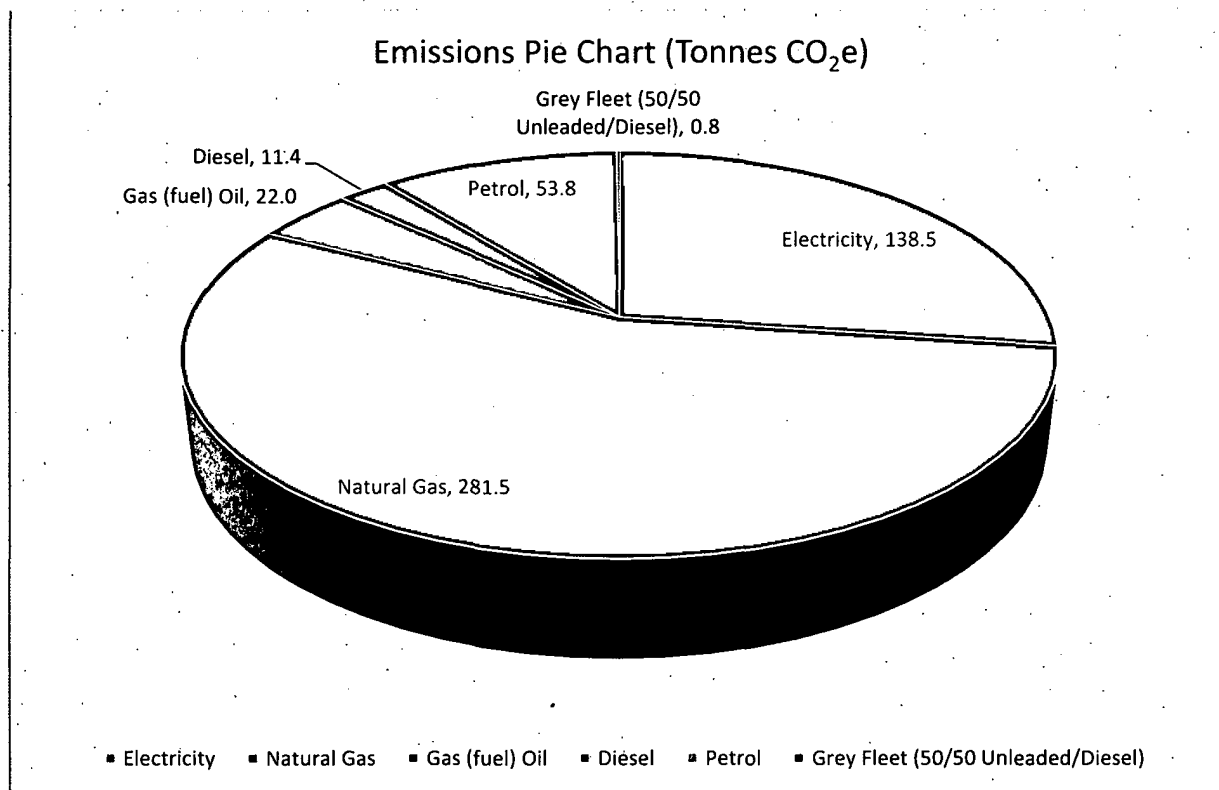
Streamlined energy and carbon reporting

The Academy's greenhouse gas emission and energy consumption for the year are:



<u>Energy</u>	<u>2022/23</u>		<u>2021/22</u>	
	<u>kWh</u>	<u>Percentage</u>	<u>kWh</u>	<u>Percentage</u>
Electricity	668,847	28.4%	1,047,267	39.7%
Natural Gas	1,538,664	65.3%	1,416,120	53.7%
Gas (fuel) Oil	85,940	3.6%	94,732	3.6%
Diesel	47,517	2.0%	58,935	2.2%
Petrol	11,920	0.5%	12,654	0.5%
Grey Fleet (50/50 Unleaded/Diesel)	4,294	0.2%	5,437	0.2%
TOTAL	2,357,182	100.0%	2,635,145	100.0%

Streamlined energy and carbon reporting (continued)



<u>Emissions</u>	<u>2022/23</u>		<u>2021/22</u>	
	<u>Tonnes CO₂</u>	<u>Percentage</u>	<u>Tonnes CO₂</u>	<u>Percentage</u>
Electricity	138.5	27.3%	202.5	40.2%
Natural Gas	281.5	55.4%	258.5	51.3%
Gas (fuel) Oil	22.0	4.3%	24.3	4.8%
Diesel	11.4	2.2%	14.2	2.8%
Petrol	53.8	10.6%	2.9	0.6%
Grey Fleet (50/50 Unleaded/Diesel)	0.8	0.2%	1.3	0.3%
TOTAL	508.0	100.0%	503.7	100.0%

The following brief comments are made:

- All energy, whether in gallons of oil, litres of petrol/diesel, cubic metres of natural gas, has been converted to kWh of energy, using "UK Government GHG Conversion Factors for Company Reporting (2023)" for the purposes of this audit and the above pie chart.
- Similarly, the above energy sources have been converted to CO₂ emissions using "UK Government GHG Conversion Factors for Company Reporting (2023)" for the purposes of this audit and the above pie chart.
- Due to the introduction of renewable electricity generation (solar and wind) in the UK and the closure of older coal-fired power stations, emissions factors per kWh of electricity have approximately halved over the last 10 years.
- Transport energy is low (2.7% total), but that is normal for organisations that do not have a mobile staff and are not delivering goods.

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Trustees' report (continued)
For the year ended 31 August 2023

Streamlined energy and carbon reporting (continued)

Plans for future periods

The Trust's vision for the future is encapsulated in its current vision statement:

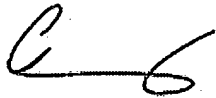
An ethically led, high-quality trust, with the aim of improving the life chances of all of its students, regardless of ability or background. With local communities at its heart, all of our schools are fully committed to continuous improvement. A place where people matter, where you are nurtured and developed to be the best version of yourself.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12 December 2023 and signed on its behalf by:



Mr C Thomas
Chair of Trustees

Tenterden Schools Trust
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Governance Statement

Scope of responsibility

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

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

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

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Governance Statement (continued)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
M Hill	4	6
G Jones	3	6
K Smith	6	6
C Thomas	6	6
Mr N Vincer (Chair) (resigned 19/07/2023)	6	6
J Vos	1	1
P Harris	3	3
M Hazell	3	3
D Irvine	2	2
R Swansbury, appointed by the Diocese of Canterbury Academies Ltd	5	5
Ms K Bishop (resigned 21/10/2022)	1	1

Following a skills audit, four new Trustees have been appointed that complement the current skills set. Key areas such as Finance, Business and Marketing, IT and the Diocese of Canterbury are now fully represented on the Board. The Board commissioned an External Review of Governance from the National Governance Association and has been working through recommendations which have led to improvements in structure and function. The Board are in receipt of high quality, open and honest information about the schools in the Trust and are better equipped to ask challenging questions and to provide support. The Governance Professional manages an up-to-date register of interests and these are published on the Trust website.

Conflicts of Interest

A standing agenda item, Trustees are asked to declare any conflicts of interest at each meeting. Conflicts are recorded and any Trustee with a conflict of interest does not contribute to any discussion on the relevant agenda item. If felt necessary, the Trustee with the conflict of interest may be asked to leave the room for that agenda item.

Governance reviews

Our last External Review of Governance took place in October 2022. The impact of actions taken include:

- A clearer understanding of Trustees' roles and responsibilities
- A balanced approach to challenge and support has been implemented
- The new CEO has brought fresh impetus to bring further focus and professionalism to the Trust Board and Local Governance
- The Board has developed improved practice over the year and adopted the Nolan Principles
- The Board has reorganised its work to further focus on educational standards and finances
- A Governance Professional has been appointed

The next External Review of Governance is planned for September 2024.

The Audit and Risk Committee is also a sub-committee of the main board of Trustees. Its purpose is to maintain an oversight of the Tenterden School Trust's financial, governance, risk management and internal control systems and to report findings to the Trust Board at the next scheduled meeting of the Board after Committee Meetings and annually to the Board and the Accounting Officer as a critical element of the trust's annual reporting requirements.

Attendance during the year at meetings was as follows:

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Governance Statement (continued)

Governance (continued)

Trustee	Meetings attended	Out of a possible
C Thomas (Committee Chair, re-appointed 17/05/2023)	4	4
N Vincer (resigned 19/07/2023)	4	4
M Hill	2	4
K Smith	2	4

Review of value for money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees on a regular basis. The academy has delivered value for money during the year adhering closely to the Financial Regulations Manual in all of its financial transactions and by comparing its performance with other academy schools from ESFA benchmarking data to ensure that expenditure levels are reasonable for an academy of this size.

The Financial Regulations Manual is the guide in this area which the Trust, the Trustees and the auditors use. This is updated each year to fit closely to the Academies Handbook (last updated September 2022). It establishes the financial roles, powers and responsibilities of the CEO as Accounting Officer, the Finance Director (FD) and the Board of Trustees. There are specific guidelines on purchases across the Trust:

- 1 All orders over £10k must evidence "best value" - whether this be by alternative quotations in full or by a study of what other organisations have paid or evidence given of reasonable market rates for the goods/services to be supplied. In practice this is applied to all purchases over £1k.
- 2 All purchases over £20k must have evidence of three alternative quotations.
- 3 Homewood - the principal teachers and all other budget holders must have all purchase orders over £1k countersigned by the Finance Officers (to 2k max) and Finance Director above that.
- 4 Homewood - the principal teachers and budget holders will have their budgets agreed by the Finance Director before the academic year and these will link with their department plans which are agreed by the Principal/ CEO.
- 5 Homewood - the Principal can agree a new commitment up to £15k.
- 6 Primary schools - the Executive Head and Head can agree purchase orders up to £5k. The School Business Manager(Primaries) signs and manages all orders to £2k and the Finance Director signs all above these unless the Heads have signed those up to £5k.
- 7 Primary schools - all budgets are agreed with the Executive Head/Head for the year.

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

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Governance Statement (continued)

The purpose of the system of internal control

The internal accounting controls are strengthened by the auditors undertaking a full accounting year audit as is standard practice. In addition, there are three in year checks by a separate firm of auditors - Williams Giles. These cover the full list of financial areas as before plus several non-financial areas. Areas to be covered and volume of checks undertaken are detailed in the Financial Regulations Manual.

During 2022/23 these audits showed that financial matters were being conducted well with no areas for improvement. The Trustees and the Trust schools appreciate the depth and breadth of these reviews. A summary of the findings in those reviews has been presented to the Trustees and will be sent to the ESFA. The internal scrutiny checks undertaken by Williams Giles includes safeguarding, risk review, fraud, an overview of health and safety, pupil numbers, ESFA returns, whistleblowing and governance structures.

In addition, the Education and Skills Funding Agency provide an Accounts Direction document for the year end audit. An area of continued focus is a review of contracted work undertaken by related parties of the Charity trustees for the benefit of the school. During the year there were no related party transactions.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Tenterden Schools Trust for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
- regular reviews by the Finance and Resources 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.
- identification and management of risks.

The Board of Trustees has decided to employ Williams Giles as internal auditor.

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

- Tested payroll systems
- Tested purchasing systems
- Tested payroll systems

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Governance Statement (continued)

The risk and control framework (continued)

- Reviewed the accounting systems
- Review of HR systems

On a quarterly basis, the internal auditor reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Williams Giles have delivered their schedule of work as planned and highlighted a number of low level issues over the year that include:

- Summarising actions at the end of board minutes
- Clearer communications to staff regarding the outcome of the NJC pay award
- Reviewing the current anti fraud policy
- Update the approach to the Risk Register

Each of these issues has been rectified over the year.

Review of effectiveness

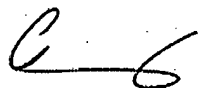
As accounting officer, the Mr S Reeves has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

the work of Williams Giles, Internal Auditor;

- the work of the external auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12 December 2023 and signed on their behalf by:



C Thomas
Chair of Trustees



S Reeves
Accounting Officer

Tenterden Schools Trust
(A company limited by guarantee)

Statement of Regularity, Propriety and Compliance

As accounting officer of Tenterden Schools Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2022.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2022.

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



Mr S Reeves
Accounting Officer
Date: 12 December 2023

Tenterden Schools Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2023

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

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

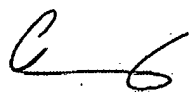
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 12 December 2023 and signed on its behalf by:



Mr C Thomas
Chair of Trustees

Tenterden Schools Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Tenterden Schools Trust

Opinion

We have audited the financial statements of Tenterden Schools Trust (the 'academy') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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 Academy'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.

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

Tenterden Schools Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Tenterden Schools Trust
(continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Tenterden Schools Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Tenterden Schools Trust
(continued)

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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Academy Trust and the sector, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to child protection and safeguarding, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, Academies Accounts Direction, Academies Trust Handbook, taxation, and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of land and buildings and revenue and non-compliance with financial management and governance requirements which are consistent with the obligations of public funded bodies. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety and employment law) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Consideration of income streams, completeness of income and compliance with the obligations of funders including the ESFA
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including the misuse of public funding in areas such as cash, payroll and credit card expenditure; and
- Review of cash and credit card expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of internal controls and physical inspection of tangible assets susceptible to fraud or irregularity; and

Tenterden Schools Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Tenterden Schools Trust
(continued)

- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

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

Tenterden Schools Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Tenterden Schools Trust
(continued)

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy'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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Chatham Maritime

18 December 2023

Tenterden Schools Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Tenterden Schools Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 March 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tenterden Schools Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Tenterden Schools Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Tenterden Schools Trust's funding agreement with the Secretary of State for Education dated 30 November 2016 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Tenterden Schools Trust
(A company limited by guarantee)

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

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.

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

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

Tenterden Schools Trust
(A company limited by guarantee)

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

The work undertaken to draw to our conclusion includes:

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor

Date: 18 December 2023

Tenterden Schools Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	4	123,626	142,117	4,571,166	4,836,909	3,311,182
Other trading activities		692,789	203,466	-	896,255	694,068
Investments	7	207	-	-	207	218
Charitable activities		-	17,756,032	-	17,756,032	16,499,877
Total income		816,622	18,101,615	4,571,166	23,489,403	20,505,345
Expenditure on:						
Raising funds		5,123	190,405	-	195,528	205,673
Charitable activities		38,919	18,834,899	3,812,513	22,686,331	21,711,112
Total expenditure		44,042	19,025,304	3,812,513	22,881,859	21,916,785
Net income/(expenditure)		772,580	(923,689)	758,653	607,544	(1,411,440)
Transfers between funds	19	(704,689)	704,689	-	-	-
Net movement in funds before other recognised gains/(losses)		67,891	(219,000)	758,653	607,544	(1,411,440)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	27	-	1,451,000	-	1,451,000	9,280,000
Net movement in funds		67,891	1,232,000	758,653	2,058,544	7,868,560
Reconciliation of funds:						
Total funds brought forward		272,455	(1,232,000)	38,098,150	37,138,605	29,270,045
Net movement in funds		67,891	1,232,000	758,653	2,058,544	7,868,560
Total funds carried forward		340,346	-	38,856,803	39,197,149	37,138,605

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 32 to 61 form part of these financial statements.


Tenterden Schools Trust
(A company limited by guarantee)
Registered number: 07736448

Balance sheet
As at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	34,485,618	34,995,703
		<u>34,485,618</u>	<u>34,995,703</u>
Current assets			
Debtors	16	4,394,149	3,496,795
Cash at bank and in hand		2,260,489	1,841,048
		<u>6,654,638</u>	<u>5,337,843</u>
Creditors: amounts falling due within one year	17	(1,823,202)	(1,778,692)
Net current assets		<u>4,831,436</u>	<u>3,559,151</u>
Total assets less current liabilities		<u>39,317,054</u>	<u>38,554,854</u>
Creditors: amounts falling due after more than one year	18	(119,905)	(184,249)
Net assets excluding pension asset / liability		<u>39,197,149</u>	<u>38,370,605</u>
Defined benefit pension scheme asset / liability	27	-	(1,232,000)
Total net assets		<u><u>39,197,149</u></u>	<u><u>37,138,605</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	38,856,803	38,098,150
Pension reserve	19	-	(1,232,000)
Total restricted funds	19	<u>38,856,803</u>	<u>36,866,150</u>
Unrestricted income funds	19	<u>340,346</u>	<u>272,455</u>
Total funds		<u><u>39,197,149</u></u>	<u><u>37,138,605</u></u>

The financial statements on pages 28 to 61 were approved by the Trustees, and authorised for issue on 12 December 2023 and are signed on their behalf, by:


Mr C Thomas
Chair of Trustees


Mr S Reeves
Accounting officer

Tenterden Schools Trust
(A company limited by guarantee)
Registered number: 07736448

Balance sheet (continued)
As at 31 August 2023

The notes on pages 32 to 61 form part of these financial statements.

Tenterden Schools Trust
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	21	(3,934,139)	(2,845,023)
Cash flows from investing activities	23	4,425,205	3,290,441
Cash flows from financing activities	22	(71,625)	5,531
Change in cash and cash equivalents in the year		419,441	450,949
Cash and cash equivalents at the beginning of the year		1,841,048	1,390,099
Cash and cash equivalents at the end of the year	24, 25	2,260,489	1,841,048

The notes on pages 32 to 61 form part of these financial statements

Tenterden Schools Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2023

1. General information

Tenterden Schools Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Homewood School & Sixth Form Centre, Ashford Road, Tenterden, TN30 6LT. The principal activity of the Academy Trust is to provide an education for pupils that satisfies the requirements of the Education Act 2002.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

2.2 Consolidated Accounts

Consolidated accounts have not been prepared as the results, assets and liabilities of the only subsidiary, Home Farm Children's Nursery Limited, are not considered material to the group. Further details of the subsidiary are included at note 32.

2.3 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.4 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

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

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

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

2.5 Expenditure

Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the Academy 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's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

2.6 Interest receivable

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

2.7 Gift Aid

In the case of a Gift Aid payment made within the Group, income is accrued when the payment is payable to the Parent Academy under a legal obligation. Measurement is at the fair value receivable, which will normally be the transaction value.

Where the right to receive Gift Aid has been established, the amount receivable is recognised as investment income in the Statement of financial activities.

2.8 Tangible fixed assets

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

Leasehold land and buildings are leased from Kent County Council for a period of 125 years. Rentals payable in respect of this lease are on peppercorn per annum. Under the terms of the leases the risk and rewards of ownership have been substantially transferred to Tenterden Schools Trust and accordingly, to reflect its use, the value of the property transferred on conversion is included within fixed assets with an appropriate credit to voluntary income within the restricted fixed asset fund. The properties were valued at fair value by professional valuers who specialise in public property property valuation. The valuation was specifically carried out in accordance with the capital accounting requirements of the Charities SORP (FRS102).

The buildings at Tenterden Church of England Junior School, St Michael's Church of England Primary School and John Mayne Church of England School were not transferred to the Trust on conversion. The buildings are retained by the Canterbury Diocesan Board of Finance and the Trust has a licence to occupy these buildings with a minimum notice period of two years on a rolling basis. The Trust

Tenterden Schools Trust
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Notes to the financial statements
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2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

does not have control over these premises and as such they are not recognised as fixed assets. The Diocese is committed to providing the land and buildings rent free for a 24 months from the year end. The trustees do not believe that the likely benefit to the Trust can be reliably measured and accordingly, no amounts are recognised within income, expenditure or debtors for notional donations receivable or notional rental expenses.

Subsequent expenditure of existing fixed assets:

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

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

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

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

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

Depreciation is provided on the following basis:

Freehold property	-	2% Straight line
Long-term leasehold property	-	2% Straight line
Furniture and equipment	-	20% Straight line
Plant and machinery	-	20% Straight line
Computer equipment	-	33% Straight line
Motor vehicles	-	20% Straight line

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

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

2.9 Debtors

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

Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.10 Cash at bank and in hand

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

2.11 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 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.

2.12 Provisions

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

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

2.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

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

2.14 Operating leases

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

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Notes to the financial statements
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2. Accounting policies (continued)

2.15 Pensions

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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.

2.16 Agency arrangements

The academy trust acts as an agent distributing 16-9 bursary funding from the ESFA. Payments received from the ESFA and the subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 31.

2.17 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

Notes to the financial statements
For the year ended 31 August 2023

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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.

Multi-employer defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £34,995,703 at the reporting date (see note 15). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

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

Critical areas of judgment:

Lease commitments

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

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy

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Notes to the financial statements
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3. Critical accounting estimates and areas of judgment (continued)

Trusts in the region. In the judgement of the trustees, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme.

The plan surplus as at 31 August 2023 was £179,000 (2022: deficit £1,232,000). A pension plan asset is recognised to the extent that the company is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. In the opinion of the trustees, the academy trust will not recover the surplus through reduced contributions and they do not anticipate receiving any refunds from the plan and therefore the net surplus recognised within the financial statements has been restricted to £NIL, see note 27 for further details.

4. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	123,626	142,117	-	265,743	211,526
Capital grants	-	-	4,571,166	4,571,166	3,099,656
	<u>123,626</u>	<u>142,117</u>	<u>4,571,166</u>	<u>4,836,909</u>	<u>3,311,182</u>
Total 2022	<u>23,991</u>	<u>187,535</u>	<u>3,099,656</u>	<u>3,311,182</u>	

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5. Funding for the Academy's charitable activities

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	12,778,307	12,778,307	13,694,297
Other DfE/ESFA grants			
Other DfE/ESFA grants	2,958,497	2,958,497	663,375
Pupil Premium grant	791,031	791,031	686,863
Universal Infant Free School Meals (UIFSM)	87,383	87,383	81,703
	16,615,218	16,615,218	15,126,238
Other Government grants			
Local Authority SEN funding	480,071	480,071	476,763
Other Local Authority grants	568,932	568,932	834,030
	1,049,003	1,049,003	1,310,793
Other income from the Academy's educational operations	91,811	91,811	62,846
	17,756,032	17,756,032	16,499,877
	17,756,032	17,756,032	16,499,877
Total 2022	16,499,877	16,499,877	

6. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Trip income	-	203,466	203,466	197,259
Hire of facilities	101,370	-	101,370	106,737
Catering income	155,458	-	155,458	182,676
Other income	435,961	-	435,961	207,396
	692,789	203,466	896,255	694,068
Total 2022	496,809	197,259	694,068	

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Notes to the financial statements
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6. Income from other trading activities (continued)

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Interest received	207	207	218

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Expenditure on raising voluntary income:					
Direct costs	-	-	195,528	195,528	205,673
Educational operations:					
Direct costs	12,270,345	-	1,846,304	14,116,649	13,223,091
Allocated support costs	2,140,847	4,813,669	1,615,166	8,569,682	8,488,021
	<u>14,411,192</u>	<u>4,813,669</u>	<u>3,656,998</u>	<u>22,881,859</u>	<u>21,916,785</u>
Total 2022	<u>14,499,659</u>	<u>4,030,354</u>	<u>3,386,772</u>	<u>21,916,785</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Educational operations	14,116,649	8,569,682	22,686,331	21,711,112
Total 2022	<u>13,223,091</u>	<u>8,488,021</u>	<u>21,711,112</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	11,958,521	11,958,521	11,183,701
Depreciation	656,253	656,253	636,902
Educational supplies	337,750	337,750	318,514
Technology costs	322,825	322,825	386,787
Examination fees	241,549	241,549	211,120
Educational consultancy	250,927	250,927	215,788
Agency Staff Costs	348,824	348,824	270,279
	<u>14,116,649</u>	<u>14,116,649</u>	<u>13,223,091</u>
Total 2022	<u>13,223,091</u>	<u>13,223,091</u>	

Analysis of support costs

	Educational operations 2023 £	Total funds 2023 £	Total funds 2022 £
Pension finance costs	37,000	37,000	146,000
Staff costs	2,103,847	2,103,847	3,045,679
Technology costs	61,160	61,160	48,089
Premises costs	4,813,669	4,813,669	4,030,354
Legal costs	17,885	17,885	6,125
Other support costs	1,502,562	1,502,562	1,172,732
Governance costs	33,559	33,559	39,042
	<u>8,569,682</u>	<u>8,569,682</u>	<u>8,488,021</u>
Total 2022	<u>8,488,021</u>	<u>8,488,021</u>	

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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	115,454	74,162
Depreciation of tangible fixed assets	656,253	636,902
Fees paid to auditor for:		
- audit	23,700	19,750
- other services	5,335	2,945
	<u>23,700</u>	<u>19,750</u>
	<u>5,335</u>	<u>2,945</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	10,503,921	9,922,437
Social security costs	1,025,101	973,415
Pension costs	2,533,346	3,313,876
	<u>14,062,368</u>	<u>14,209,728</u>
Agency staff costs	348,824	270,279
Staff restructuring costs	-	19,652
	<u>348,824</u>	<u>270,279</u>
	<u>14,411,192</u>	<u>14,499,659</u>

Staff restructuring costs comprise:

	2023 £	2022 £
Redundancy payments	-	9,652
Severance payments	-	10,000
	<u>-</u>	<u>19,652</u>

b. Special staff severance payments

Included within staff restructuring costs are contractual redundancy payments total £Nil (2022: £9,652) and non contractual severance payments £Nil (2022: £10,000).

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11. Staff (continued)

c. Staff numbers

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

	2023 No.	2022 No.
Teachers	169	144
Administration and support	234	220
Management	13	23
	416	387

d. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	6	6
In the band £70,001 - £80,000	6	3
In the band £80,001 - £90,000	1	1
In the band £100,001 - £110,000	1	1
In the band £120,001 - £130,000	1	1

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £1,144,547 (2022 - £865,595).

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12. Central services

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

- Management services
- Human resources
- Financial services
- Legal services
- Educational support services

The Academy charges for these services on the following basis:

6.3% (2022: 5.9%) of General Annual Grant Income received within additional charges made where appropriate.

The actual amounts charged during the year were as follows:

	2023 £	2022 £
Homewood School & Sixth Form Centre	732,816	651,948
St Michael's Church of England Primary School	43,308	40,056
Tenterden Infant School	43,372	37,848
Tenterden Church of England Junior School	58,428	51,540
Rolvenden Primary School	32,124	29,328
Total	910,048	810,720

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefit (2022 - S Reeves received remuneration of £30,000 - £35,000 and pension contributions of £5,000 to £10,000).

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

14. Trustees' and Officers' insurance

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

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Notes to the financial statements
For the year ended 31 August 2023

15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Improvements to property £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation							
At 1 September 2022	31,853,215	3,201,200	973,320	35,816	55,879	110,000	36,229,430
Additions	15,920	-	25,475	-	92,523	12,250	146,168
At 31 August 2023	31,869,135	3,201,200	998,795	35,816	148,402	122,250	36,375,598
Depreciation							
At 1 September 2022	487,167	23,580	566,307	26,409	22,186	108,078	1,233,727
Charge for the year	487,167	23,580	90,083	3,565	48,980	2,878	656,253
At 31 August 2023	974,334	47,160	656,390	29,974	71,166	110,956	1,889,980
Net book value							
At 31 August 2023	30,894,801	3,154,040	342,405	5,842	77,236	11,294	34,485,618
At 31 August 2022	31,366,048	3,177,620	407,013	9,407	33,693	1,922	34,995,703

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16. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	148,092	69,102
Other debtors	536,396	438,095
Prepayments and accrued income	3,709,661	2,989,598
	<u>4,394,149</u>	<u>3,496,795</u>

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	65,868	73,148
Trade creditors	967,750	844,425
Other taxation and social security	253,275	246,188
Other creditors	276,534	248,547
Accruals and deferred income	259,775	366,384
	<u>1,823,202</u>	<u>1,778,692</u>

	2023 £	2022 £
Deferred income at 1 September 2022	58,287	66,554
Resources deferred during the year	66,728	58,287
Amounts released from previous periods	(58,287)	(66,554)
	<u>66,728</u>	<u>58,287</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals, school trips and other income.

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Notes to the financial statements
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18. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Other loans	119,905	184,249

During the year ended 31 August 2023, the Academy Trust held CIF loans of £123,290 and salix loans of £62,483 as a result of its Condition Improvement Fund applications. The interest rates and repayment terms of the loans are as follows:

CIF Loan for Fire Safety Improvements (Homewood) £150,000, 2% interest, Maturity August 2024
Salix loan for Fire Safety Improvements (Homewood) £79,920, 0% interest, Maturity August 2029
Salix loan for Fire Safety Improvements (Rolvenden) £10,718, 0% interest, Maturity August 2029
Salix loan for Fire Safety Improvements (St Michael's) £11,229, 0% interest, Maturity August 2029

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Notes to the financial statements
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19. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General funds	272,455	816,622	(44,042)	(704,689)	-	340,346
Restricted general funds						
General Annual Grant (GAG)	-	14,673,491	(15,378,180)	704,689	-	-
Pupil premium	-	791,031	(791,031)	-	-	-
Other DfE/ESFA grants	-	1,150,696	(1,150,696)	-	-	-
Other government grants	-	1,140,814	(1,140,814)	-	-	-
Other income	-	345,583	(345,583)	-	-	-
Pension reserve	(1,232,000)	-	(219,000)	-	1,451,000	-
	(1,232,000)	18,101,615	(19,025,304)	704,689	1,451,000	-
Restricted fixed asset funds						
Restricted fixed asset fund	34,995,703	-	(656,253)	146,168	-	34,485,618
DfE/ESFA capital grants	3,102,447	4,571,166	(3,156,260)	(146,168)	-	4,371,185
	38,098,150	4,571,166	(3,812,513)	-	-	38,856,803
Total Restricted funds	36,866,150	22,672,781	(22,837,817)	704,689	1,451,000	38,856,803
Total funds	37,138,605	23,489,403	(22,881,859)	-	1,451,000	39,197,149

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

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

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

Pupil premium funding is provided in order to be used to support disadvantaged pupils and to assist them in decreasing the attainment gap between those pupils and their peers.

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19. Statement of funds (continued)

UIFSM supports schools in delivering the legal requirement to offer free school meals to all reception, year 1 and year 2 pupils.

COVID-19 catch-up premium is a grant for the 2021/22 and 2022/23 academic years to support children and young people to catch up lost time after school closure, with allocations calculated on a per pupil basis, using census data, in line with the general annual grant (GAG).

Teachers' pay and pension grants are to provide support to schools in respect of the teachers' pay awards.

Other DfE/ESFA grants represents grants provided for specific purposes, such as rates relief and PE and sports premium is funding to make additional and sustainable improvements to the quality of the PE, physical activity and sport schools provide.

Other government grants represent those grants provided for specific purposes to provide additional support to the pupils where required.

The Restricted Fixed Asset Fund represents the net book value of tangible fixed assets. Transfers within this section were made to ensure the analysis correctly reflected tangible fixed assets and capital grants available to spend.

The DfE/ESFA capital grants fund is to provide the Academy Trust with its own capital money to address improvements to buildings and other facilities.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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Notes to the financial statements
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19. Statement of funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General funds	123,800	521,018	(1,816)	(370,547)	-	272,455
Restricted general funds						
General Annual Grant (GAG)	-	13,694,297	(14,064,844)	370,547	-	-
Pupil premium	-	686,863	(686,863)	-	-	-
Other DfE/ESFA grants	-	745,078	(745,078)	-	-	-
Other government grants	-	1,310,793	(1,310,793)	-	-	-
School voluntary funds	-	187,535	(187,535)	-	-	-
Other income	-	260,105	(260,105)	-	-	-
Pension reserve	(9,206,000)	-	(1,306,000)	-	9,280,000	(1,232,000)
	<u>(9,206,000)</u>	<u>16,884,671</u>	<u>(18,561,218)</u>	<u>370,547</u>	<u>9,280,000</u>	<u>(1,232,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	35,608,173	-	(636,902)	24,432	-	34,995,703
DfE/ESFA capital grants	2,744,072	3,099,656	(2,716,849)	(24,432)	-	3,102,447
	<u>38,352,245</u>	<u>3,099,656</u>	<u>(3,353,751)</u>	<u>-</u>	<u>-</u>	<u>38,098,150</u>
Total Restricted funds	<u>29,146,245</u>	<u>19,984,327</u>	<u>(21,914,969)</u>	<u>370,547</u>	<u>9,280,000</u>	<u>36,866,150</u>
Total funds	<u>29,270,045</u>	<u>20,505,345</u>	<u>(21,916,785)</u>	<u>-</u>	<u>9,280,000</u>	<u>37,138,605</u>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

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19. Statement of funds (continued)

	2023	2022
	£	£
Homewood School & Sixth Form Centre	160,672	174,406
Tenterden Infant School	38,488	7,113
Tenterden C of E Junior School	95,355	65,895
Rolvenden Primary School	15,069	13,259
St Michael's C of E Junior School	(3,621)	11,782
John Mayne C of E School	21,001	-
Tenterden Schools Trust	13,382	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	340,346	272,455
Restricted fixed asset fund	38,856,803	38,098,150
Pension reserve	-	(1,232,000)
	<hr/>	<hr/>
Total	39,197,149	37,138,605
	<hr/>	<hr/>

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Notes to the financial statements
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19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
Homewood School & Sixth Form Centre	8,892,603	1,137,343	919,079	5,516,120	16,465,145	13,770,384
Tenterden Infant School	658,996	48,813	41,020	378,704	1,127,533	1,656,147
Tenterden C of E Junior School	823,022	81,673	68,415	407,311	1,380,421	1,648,508
Rolvenden Primary School	462,866	55,487	34,005	114,463	666,821	834,733
St Michael's C of E Junior School	683,904	53,467	48,958	302,037	1,088,366	1,218,218
Tenterden Schools Trust	228,680	743,878	22,402	153,452	1,148,412	2,151,893
John Mayne CofE School	209,837	20,186	19,172	60,794	309,989	-
Academy	11,959,908	2,140,847	1,153,051	6,932,881	22,186,687	21,279,883

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	34,485,618	34,485,618
Current assets	340,346	1,943,107	4,371,185	6,654,638
Creditors due within one year	-	(1,823,202)	-	(1,823,202)
Creditors due in more than one year	-	(119,905)	-	(119,905)
Total	340,346	-	38,856,803	39,197,149

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	34,995,703	34,995,703
Current assets	272,455	1,705,544	3,359,844	5,337,843
Creditors due within one year	-	(1,705,544)	(73,148)	(1,778,692)
Creditors due in more than one year	-	-	(184,249)	(184,249)
Provisions for liabilities and charges	-	(1,232,000)	-	(1,232,000)
Total	272,455	(1,232,000)	38,098,150	37,138,605

21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of financial activities)	607,544	(1,411,440)
Adjustments for:		
Depreciation	656,253	636,902
Capital grants from DfE and other capital income	(4,571,166)	(3,314,655)
Interest receivable	(207)	(218)
Defined benefit pension scheme cost less contributions payable	182,000	1,160,000
Defined benefit pension scheme finance cost	37,000	146,000
Decrease in stocks	-	39,467
Increase in debtors	(897,353)	(446,920)
Increase in creditors	51,790	345,841
Net cash used in operating activities	(3,934,139)	(2,845,023)

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22. Cash flows from financing activities

	2023 £	2022 £
Cash inflows from new borrowing	-	5,531
Repayments of borrowing	(71,625)	-
Net cash (used in)/provided by financing activities	(71,625)	5,531

23. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	207	218
Purchase of tangible fixed assets	(146,168)	(24,432)
Capital grants from DfE Group	4,571,166	3,314,655
Net cash provided by investing activities	4,425,205	3,290,441

24. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	2,260,489	1,841,048
Total cash and cash equivalents	2,260,489	1,841,048

25. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,841,048	419,441	2,260,489
Debt due within 1 year	(73,148)	7,280	(65,868)
Debt due after 1 year	(184,249)	64,344	(119,905)
	1,583,651	491,065	2,074,716

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26. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Completion of capital funded projects	<u>4,870,982</u>	<u>3,102,645</u>

27. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

Contributions amounting to £268,970 were payable to the schemes at 31 August 2023 (2022 - £244,512) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. 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
- 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 2024.

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27. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,546,940 (2022 - £1,451,344).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £987,000 (2022 - £898,000), of which employer's contributions totalled £777,000 (2022 - £701,000) and employees' contributions totalled £210,000 (2022 - £197,000). The agreed contribution rates for future years are 22.5 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.95
Rate of increase for pensions in payment/inflation	2.90	2.95
Discount rate for scheme liabilities	5.30	4.25
Inflation assumption (CPI)	2.90	2.95

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

	2023	2022
	Years	Years
Retiring today		
Males	20.7	21.0
Females	23.2	23.5
Retiring in 20 years		
Males	22.0	22.3
Females	24.6	24.9

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27. Pension commitments (continued)

Sensitivity analysis

	2023 £000	2022 £000
Discount rate +0.1%	(222,000)	(285,000)
Discount rate -0.1%	228,000	291,000
Mortality assumption - 1 year increase	366,000	388,000
Mortality assumption - 1 year decrease	(355,000)	(377,000)
CPI rate +0.1%	224,000	274,000
CPI rate -0.1%	(218,000)	(268,000)

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	8,140,000	7,886,000
Gilts	75,000	70,000
Corporate bonds	1,771,000	1,592,000
Property	1,293,000	1,415,000
Cash and other liquid assets	135,000	204,000
Absolute return fund	919,000	866,000
Infrastructure	486,000	-
Total market value of assets	12,819,000	12,033,000

The actual return on scheme assets was £445,000 (2022 - £(151,616)).

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

	2023 £	2022 £
Current service cost	(928,000)	(1,855,000)
Interest income	530,000	194,000
Interest cost	(567,000)	340,000
Administrative expenses	(31,000)	(6,000)
Total amount recognised in the Statement of financial activities	(996,000)	(1,327,000)

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27. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	13,265,000	20,519,000
Conversion of academy trusts	297,000	-
Current service cost	928,000	1,855,000
Interest cost	567,000	340,000
Employee contributions	210,000	197,000
Actuarial gain/loss	(2,308,000)	(9,623,000)
Benefits paid	(319,000)	(23,000)
At 31 August	12,640,000	13,265,000

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

	2023 £	2022 £
At 1 September	12,033,000	11,313,000
Conversion of academy trusts	273,000	-
Interest income	530,000	194,000
Employer contributions	777,000	701,000
Employee contributions	210,000	197,000
Benefits paid	(319,000)	(23,000)
Actuarial gain/loss	(678,000)	(343,000)
Administrative expenses	(7,000)	(6,000)
Changes in effect of asset ceiling	(179,000)	-
At 31 August	12,640,000	12,033,000

As set out in note 3, the plan surplus as at 31 August 2023 was £179,000 (2022: liability £1,232,000). The trustees, are not expecting to recover the surplus through reduced contributions and they do not anticipate receiving any refunds from the plan and therefore the net surplus recognised within the financial statements has been restricted to £NIL.

28. Members' liability

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

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29. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions.

30. Post balance sheet events

On the 7th September 2023 the trust disposed of a piece of land on Appledore Road

Sale Price	£1,000,000 plus VAT
Repayable contribution to KCC	<u>£200,000</u>
Net proceeds	£800,000

Approval was granted by the ESFA to dispose of the land because it could not be used as a playing field due to its distance from the school. The proceeds of the sale will be used for investing in playing field facilities and Sixth Form building refurbishment.

31. Agency arrangements

The academy trust distributes 16-19 Bursary funds to students as an agent for the ESFA. In the year ended 31 August 2023 the trust received £65,160 (2022: £47,618) and this was all disbursed from the fund.

32. Transfer on conversion

John Mayne CofE Primary School

	Value reported by transferring trust £	Transfer in recognised £
Pensions		
Pensions - pension scheme assets	273,000	273,000
Pensions - pension scheme liabilities	(297,000)	(297,000)
Net liabilities	<u>(24,000)</u>	<u>(24,000)</u>

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32. Transfer on conversion (continued)

At the time of conversion John Mayne CofE Primary School was reporting a deficit and therefore was transferred to the trust at breakeven position.

The buildings are retained by the Canterbury Diocesan Board of Finance and the Trust has a licence to occupy these buildings with a minimum notice period on a rolling basis.

All other fixed assets were immaterial to the trust.