

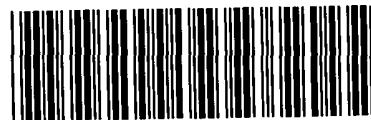
Company Registration Number: 07800664 (England & Wales)

Chiddingstone Church of England School
(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2021

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Chiddingstone Church of England School
(A company limited by guarantee)

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Chiddingstone Church of England School

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Reference and Administrative Details For the Year Ended 31 August 2021

Members	Christopher Darlington * Molly Ward Andrew Wilkinson *
Trustees	Christopher Darlington (Chairman) * Mrs Molly Ward (Vice Chairman) Rachel Streatfeild (Headteacher and Accounting Officer)* Andrew Wilkinson (Chairman Finance Committee)* Victoria Back Joanna Clare (staff trustee) Claire Ward Jerome Basdeo Verity French (parent trustee) Joel Hopwood (parent trustee) Sally Musson (Foundation trustee) Helen Jane Cooper Rupert Fleming * * Members of the Finance Committee
Company registered number	07800664 (England and Wales)
Principal and registered office	Chiddingstone Edenbridge Kent TN8 7AH
Senior management team:	Rachel Streatfeild: Accounting Officer and Headteacher Lucy Ralph: Deputy Head Sarah Wetz: Deputy Head Louise Clarke: Finance Manager
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants, Statutory Auditors Thames House Roman Square Sittingbourne Kent. ME10 4BJ
Bankers	Natwest 12 Station Road East Oxted Surrey RN8 0PR
Solicitors	Brachers Ltd Somerfield House 59 London Road Maidstone Kent ME16 8JH

Chiddingstone Church of England School

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Trustees' Report For the Year Ended 31 August 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates as a primary school in Chiddingstone Kent. It is a single academy trust and had a roll 210 on the October 2020 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of Chiddingstone Church of England School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Chiddingstone Church of England School

The trustees of Chiddingstone Church of England School are also the directors for the purposes of company law. The academy trust is known as Chiddingstone Church of England School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The academy trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the academy trust.

Details of the insurance cover are provided in note 13 to the financial statements.

Method of Recruitment and Appointment or Election of Trustees

Arrangements for appointing Governors are set out in Chiddingstone Church of England School's Articles of Association (page 20, point 50 onwards). In addition, the Governing Body applies an agreed Skills Audit to identify areas of expertise needed which informs the recruitment of new Governors. Up to 10 Governors may be appointed by Members in addition to themselves. No more than one quarter of all Governors (including Member Governors) may be Church of England Foundation Governors and no more than one third may be Staff Governors. At least 2 must be Parent Governors nominated and elected by parents of Academy pupils. Members may appoint additionally up to 3 Co Opted Governors.

Policies and procedures adopted for the induction and training of trustees

On appointment, Governors sign a Code of Practice for Governors, which includes a general statement of commitment, confidentiality and suspension/removal statements. They will also meet with the Chair/Headteacher to discuss their roles and responsibilities.

Appropriate documentation is provided including the agreed Governor Terms of Reference. Governors are asked to familiarise themselves with school policies, which are available on the website, or those applicable to any sub-committees of which they are members e.g. Finance Committee and Standards Committee.

Newly Appointed Governors are given the opportunity to attend induction training sessions via Kent County Council Leadership and Governance CPD.

Throughout the year, Governors attend training applicable to their role including: safeguarding, child protection, safer recruitment, Special Educational Needs and assessment.

Governors are also required to complete statutory training when appropriate.

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Trustees' Report For the Year Ended 31 August 2021

Organisational Structure

The Governing Body is responsible for the overall running of the school, including the appointment of the Headteacher and other teaching staff. The Governing Body meets six times per year and agrees and ratifies all school policies and the annual budget, through the Finance Committee. The Headteacher is the Accounting Officer of the Trust and the Governing Body delegates to the Headteacher responsibility for the day to day running of the school.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the academy trust comprise the trustees and senior leadership team as disclosed on page 1. The Governing Body confirms the membership of Chiddingstone Church of England School's Leadership Team.

The salary scales are determined by the Pay Committee for the Leadership Team, including the Headteacher, taking into due account the respective level of responsibilities, recruitment and retention issues, internal differentials throughout Chiddingstone Church of England School and affordability. Only Teaching staff can be paid on the Leadership Scale.

The Pay Committee reviews the salary scales for members of the Leadership Team as appropriate within the requirements of the Teachers' Pay and Conditions Document. Pay Reviews for Leadership posts are undertaken by the Pay Committee on an annual basis and no later than 31st December. Where pay progression is awarded this takes effect from 1st September and may be backdated where the pay determination has not been made by this date. Annual Pay progression within the salary scale of a Leadership post is not automatic.

The Pay Committee may request information from the performance appraisal review process as well as evidence of performance in other relevant areas to inform its decision. The Headteacher may advise the Pay Committee regarding the pay progression for other members of the Leadership Team, but will do so in accordance with the regulations and statutory guidance.

The Pay Committee is entitled to seek the advice of other relevant professionals regarding the pay progression of the Headteacher. Those on the Leadership Scale play a critical role in the life of Chiddingstone Church of England School. They inspire confidence in those around them and work with others to create a shared strategic vision which motivates pupils and staff. They take the lead in enhancing standards of teaching and learning value enthusiasm and innovation in others. They have the confidence and ability to make management and organisational decisions and ensure equity, access and entitlement to learning. To achieve progression, individuals on the Leadership Scale are required to have demonstrated sound evidence of sustained high quality of performance in the areas above.

To be fair and transparent, judgments must be properly rooted in evidence and there must have been a successful review of overall performance. A successful performance appraisal review, as prescribed by the appraisal regulations, will involve a performance appraisal management process of:

- Assessment against the relevant standards
- Performance objectives
- Classroom observation
- Other evidence

To ensure that there has been high quality performance, the performance appraisal will need to demonstrate that the employee has grown professionally by developing their leadership and (where relevant) their teaching practice is assessed at a consistently outstanding level

Total remuneration paid to senior management personnel is set out in note 11 (d).

Related Parties and other Connected Charities and Organisations

Parent Teacher Association (PTA)

This voluntary organisation raises funds for the school but retains control over the use of the funds it donates. It produces its own accounts for submission to the Charity Commission and the school does not exercise any control over it: accordingly, the financial reserves controlled by the PTA have not been consolidated into the Academy Trust balance sheet in these accounts but donations have been accounted for on a cash received basis. The Governors would like to record their thanks to parents and contributors to PTA fundraising events, especially over the difficult Covid-19 months, for donations totalling over £21,000 made to the school in this accounting period

Enrichment Fund

The Enrichment Fund exists to cover the cost of education trips and visits, which enrich the curriculum. Parents voluntarily contribute £285.00, per child, per annum, in addition to payments for specific off-site trips and visits. The school has this balancing account within these Academy Trust accounts.

Chiddingstone Church of England School

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Trustees' Report For the Year Ended 31 August 2021

OBJECTIVES AND ACTIVITIES

'Educating for Life in all its Fullness'

At Chiddingstone Church of England School, we aim to provide a family orientated education underpinned by strong Christian values. Difference and diversity is celebrated, every child is valued and makes an important contribution to our unique school. Our vision, centred on the story of 'The Good Samaritan', sets high expectations for our children to help and support each other to achieve their potential, where all areas of achievement and success are recognised. In secure, happy and caring surroundings, our children are encouraged to explore their spirituality and develop their sense of responsibility to contribute to their local communities and as global citizens. Chiddingstone enables all children to flourish and live life to the full.

Objectives, Strategies and Activities

Whole school objectives for the academic year 2020-2021 were as follows:

- 1) Continued effective response to Covid-19 pandemic: safe re-opening of school, management of infection control and plan for continuity of education.
- 2) Implement an effective 'Recovery Curriculum' to support academic attainment and progress and the wellbeing and mental health of children during the Covid-10 pandemic.
- 3) Continue to implement the Curriculum Maestro topic based curriculum to deliver Science and Foundation subjects:
 - Ensuring effective coverage and progression of knowledge and skills;
 - Ensuring regular and consistent teacher assessment of foundation subjects.
- 4) Successful migration of information systems to Arbor:
 - Development of effective behaviour tracking and analysis
 - Development of effective assessment tracking and analysis.
- 5) Implementation of the new Early Years Foundation Stage ("EYFS") Framework: Early Adopter School.
- 6) a) Ensure the school's vision statement is understood and clearly communicated to all stakeholders and underpins the curriculum intent and all aspects of school life.

b) Embed an understanding of the concept of Courageous Advocacy with all staff, pupils and other stakeholders and ensure that pupil leadership includes a focus on courageous advocacy.

Public Benefit

The Governing Body has complied with their duty to have due regard to the guidance on public benefit by the Charity Commission.

STRATEGIC REPORT

Achievement and Performance

Evaluation of the School Improvement Plan ("SIP") 2019-20. A robust system of School Improvement Plan Evaluation took place at the end of the academic year, involving SIP Priority Leads and Governors.

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Trustees' Report For the Year Ended 31 August 2021

SIP PRIORITY 1: Continued effective response to Covid-19 pandemic: safe re-opening of school, management of infection control and plan for continuity of education.

What has gone well?

- Pre-emptive and proactive approach of leadership team and Governing Body to planning during pandemic.
- Effective process of risk assessment implementation, monitoring and review with full consultation with staff and governors in decision-making.
- Management of site organisation and systems of control to minimise infection transmission in school and preventing class bubble closures and continuity of education throughout period of pandemic. I.e. no Covid cases from Sept 2020 - July 2021 and no class bubble closures.
- Regular, timely and clear communication with staff and parents throughout.
- Comprehensive remote learning provision during period of school closure and flexibility to review, respond and adapt to feedback to improve provision throughout.
- Attendance remained above 97% throughout the year.

What still needs to be done?

- Ensure continued effectiveness from September 2021 in line with Government Covid-19 guidance for schools to continue to minimise impact on educational provision.

SIP PRIORITY 2: Implement an effective 'Recovery Curriculum' to support academic attainment and progress and the wellbeing and mental health of children during the Covid-19 pandemic.

What has gone well?

- Transition back to school in September 2020 and March 2021 was effectively supported through virtual sessions, booklets, 1:1 support, reduced timetables etc.
- Attendance has remained above 97% throughout 2020-2021
- Decision to focus on Core Subjects for remote learning provision face-to-face lessons and prioritise as part of the recovery curriculum from 8 March 2020 on return to school-positive impact on attainment and progress of all pupils. (75%+ school are at ARE expectations in Reading and Maths at the end of 2020-2021 academic year based on internal assessment data).
- Academic attainment and progress has remained good or better: effective use of assessments to identify gaps and inform planning.
- Standards Committee's detailed and ongoing analysis of attainment and progress to identify children in need of additional support and agree most effective interventions.
- Effective use of Catch-up grant to ensure that 75% + achieving the expected standards in Maths and Reading in most year groups by the end of year: range of group and 1:1 interventions.
- 97% of Y2 pupils met the standard in Phonics Screening in December 2020.
- End of Key Stage 1 assessments (internal) are good and broadly in line with 75% target.
- End of Key Stage 2 assessments (internal) are outstanding with 100% meeting ARE in Maths and 75% achieving Higher Level in Reading.
- Effective support of pupil mental health and wellbeing through sessions with wellbeing mentor, afterschool nurture provision, early identification and intervention with families to engage with external agencies e.g. Early Help and Fegans Counselling for pupils and parents. In turn - had a positive impact on academic progress and attainment.
- Ongoing commitment of SLT and Governors to prioritising mental health and wellbeing.

What still needs to be done?

- Use end of year internal attainment data to inform planning for September and class provision mapping/interventions.
- September baseline assessment agreed to assess impact of summer break and gap analysis.
- Whole school focus on writing - only 55% met ARE at end of the year (not enough opportunities to write across sufficient range of genres to have valid evidence to teacher assess).
- Headstart Resilience Programme and Action Plan to support wellbeing to be a school improvement priority for 2021-2022.

**SIP PRIORITY 3: Continue to implement the Curriculum Maestro topic based curriculum to deliver Science and Foundation subjects: Ensuring effective coverage and progression of knowledge and skills
Ensuring regular and consistent teacher assessment of foundation subjects.**

What went well?

- Long-term curriculum plans agreed and implemented.
- Staff training completed to refresh staff confidence on use of Curriculum Maestro.
- Monitoring of books and planning completed by curriculum lead in Terms 1 and 2 - review took place.
- Consistency of approach improved including: Creative curriculum working walls in classrooms demonstrating what subject knowledge before, during and at the end of topic v afterward and interconnectivity of subjects and themes.

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Trustees' Report For the Year Ended 31 August 2021

What still needs to be done?

- For the second year running, full annual coverage of Curriculum Maestro topics has not been possible due to Covid-19 /period of school closure January-March and recovery curriculum priorities on return to school.
- Actual coverage and assessment systems therefore incomplete.
- Development of subject leads stalled and needs to be a focus for 2021-2022 to ensure they have a clear understanding of intended coverage, knowledge and skills progression, actual coverage, assessment and monitoring processes. This will ensure that they are able to lead a 'deep dive' into their subject under the new Ofsted framework.
- Maestro have updated their recommended curriculum, which has a greater emphasis on sequencing knowledge and skills progression. Topics will be reviewed in September 2021 in line with this.

SIP PRIORITY 4: Successful migration of information systems to Arbor:

- *Development of effective behaviour tracking and analysis*
- *Development of effective assessment tracking and analysis.*

What went well?

- Arbor Migration: MIS migration is completed, all staff have completed training on attendance/registers etc., parent app up and running, consent forms/payment up and running, clubs lists up and running, parent consultation booking system successful. Overall, it has centralised all previous admin systems and is working effectively.
- Arbor Assessment: Summative Assessment system now set up for KS1 and KS2. Staff training complete. Reports created on Arbor and sent to parent via Arbor app in July. This was successful.
- Arbor Behaviour Reporting and Monitoring: Behaviour system set up, staff training completed, alert system is effective for class teachers and SLT to have oversight of daily, weekly and termly behaviour patterns. Behaviour reports are easily created into different groups and types of behaviours. This has proved very effective for informing support and intervention as well as providing effective evidence for HNF applications or to support parent meetings to discuss pupil behaviour.

What still needs to be done?

- Arbor Migration: Use Arbor staff personnel tool for Appraisal Objective Setting, monitoring and review. Explore other Arbor facilities including Single Central record.
- Arbor Assessment: Develop formative assessment for Literacy, Maths, RE, French and PE as well as new EYFS assessment systems in line with the new framework. This will help to support accurate and valid Teacher Assessment supported by evidence.
- Arbor Behaviour Reporting and Tracking: include category for sexual harassment/abuse in line with the Sexual Abuse Review (SAR). Create overview chart/graphs to summarise whole school behaviour reporting.

SIP PRIORITY 5: Implementation of the new EYFS Framework: Early Adopter School

What went well?

- Early adopter Maestro curriculum is up and running.
- All EYFS staff have completed training on new EYFS framework
- Baseline assessments were carried out in Term 1
- New Arbor assessment system trialled for supporting accurate assessment of EYFS. Purchase of Tapestry to support accurate assessment.
- Grant application successful of £20,000 new outdoor canopy installed to support outdoor learning and new EYFS framework.
- Investment in more EYFS resources to support new framework using catch-up grant.
- Investment in Oxford Owl online reading programme to support Phonics scheme using catch-up grant.
- Ongoing research into direction of Systematic Synthetic Phonics (SSP) programmes in line with new DFE approved schemes.

What still needs to be done?

- Curriculum has not been able to be taught in full due to period of school closure Jan-Mar (Covid-19) and focus on Phonics and Maths on return to school.
- Implementation of Tapestry to support new EYFS assessment.
- New Systematic Synthetic Phonics scheme to be implemented with aligned reading scheme to support early reading in EYFS.

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Trustees' Report For the Year Ended 31 August 2021

SIP PRIORITY 6:

a) Ensure the school's vision statement is understood and clearly communicated to all stakeholders and underpins the curriculum intent and all aspects of school life.

b) Embed an understanding of the concept of Courageous Advocacy with all staff, pupils and other stakeholders and ensure that pupil leadership includes a focus on courageous advocacy

What went well?

- Vision Statement agreed, communicated and is being embedded in all aspects of school life - teaching, website, policies, collective worship etc.
- Curriculum Intent: is directly linked to school vision.
- Implementation of Headstart Resilience programme and action plan focusing on the development of Pupil Voice (this will continue as a school improvement priority in 2021-2022).

What still needs to be done?

- Further development of Pupil Voice.
- Review of Malawi Project feasibility.
- Re-implementation of Eco School - sustainability focus (hampered by Covid-restrictions and impact).

Key Performance Indicators

Inspection Outcomes

The school's last inspection took place in March 2015. It was judged as 'Outstanding' in all areas.

The school's last SIAMS (Church Schools' inspection) took place in July 2017. It was judged as 'Outstanding' in all areas. (Reports available on School website)

Attainment Results

Due to Covid-19, all national statutory testing was cancelled. As such, there is no EYFS data, Phonics Screening Check data or End of Key Stage 1 and 2 data available for 2020.

Pupil Attendance

Attendance was 97%.

Pupil Recruitment

Pupils on roll 210 (at PAN). The School operates a healthy waiting list.

Going Concern

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

Promoting the success of the company

The Trustees, as Directors of the Academy Trust under Company Law, confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the objectives and aims, and in planning the activities for the year. The Trustees consider that the Academy's aims are demonstrably to the benefit of the public. The key public benefit delivered by the Academy is the maintenance and development of a high-quality education delivered to the young people of the community the Academy serves. The academy aims to provide local young people with a broad and balanced curriculum with a strong emphasis on, but in no way limited to, English, Maths, Science and a wide variety of other subjects.

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Trustees' Report For the Year Ended 31 August 2021

Financial review

Most of the trust's recurrent income is received in the form of grants from the Education and Skills Funding Agency ("ESFA"), the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA").

Total income for the year, as shown by the SoFA, amounted to £1,169,573, an increase on the £1,047,998 in the prior year. The increase is mainly due to an increase in capital grants received of £24k and also donations from the PTA of £21k. Operational income has increased by £66k, mainly due to an increase in the GAG received by the School.

The SoFA shows total expenditure for the year of £1,294,557, leaving net expenditure before other recognised losses of £125k. The overall net movement in funds is a decrease of £160k, as a result of an actuarial loss of £35k relating to the Local Government Pension Scheme (LGPS). This actuarial loss forms part of the movement in the LGPS deficit carried on the trust's Balance Sheet. A further £50k of non-actuarial pension charges are included within expenditure (staff costs).

For the twelve month period to 31 August 2021 the school received regular grant funding from government totalling £788k known as the General Annual Grant or 'GAG'. Most of this GAG income is determined by our pupil numbers in the previous year.

Under our Funding Agreement, all of this government income is required to be spent directly on education and cannot be used to support other activities; as such it is categorised as 'Restricted Income', as are PTA donations. We also receive income from Enrichment Fund donations in support of extra-curricular activities and certain regular covenanted donations, which are considered 'Unrestricted Income' for accounting purposes.

The Governors ensure that such income is used to fund expenditure which enriches the school experience of our pupils and enables us to go well beyond National Curriculum requirements. Without this additional income the school could not do what it does and by its very nature this income is of course uncertain from year to year. Accordingly, the Governors continue to promote a targeted covenanting drive, setting out the school's explicit requirements for covenanted funds. This initiative is regularly followed up via the newsletters for parents, class specific curriculum meetings and other whole school events. We would like to thank all parents and other donors for their generosity and to emphasise how important this source of income continues to be for the future of our school.

The Governors continue to believe that they have been able to secure better value for money using our academy freedoms. Our principal expenditure is staff related, representing approximately 80% of all on going costs (excluding school trips, depreciation and non-cash pension adjustments), and which amounted to £912k for the twelve months. Educational supplies, computing and property maintenance comprise the majority of our other expenditure. Capital expenditure during the year was £34k, representing the installation of BT fibre across the School and outdoor play area. The Governors targeted a pre depreciation operating deficit but due to restructured staff employment contracts, the school ended the year with a smaller than expected operating deficit.

The pension movements are one element that make reading the financial statements and understanding the underlying financial performance of the trust and its academies difficult. The restricted fixed asset fund is another such element and has little bearing on the day-to-day educational activities. Income for the year within this fund reflects the value of school land, buildings and other fixed assets transferred into the trust in relation to joining academies, plus capital grants used to improve the academies' buildings and to buy equipment used across the trust. Expenses charged to the fixed asset fund are largely non-cash depreciation charges which write off the cost of these assets over their useful lives.

Excluding movements on tangible fixed assets and the LGPS defined benefit pension the academy trust achieved/suffered an operational revenue surplus on funds for the year of £6k (2020: achieved/suffered an operational revenue surplus of £58k), as reconciled from the SoFA below:

	2021 (£000s)	2020 (£000s)
Overall net movement in funds for the year per SOFA	(160)	(103)
Decrease attributable to fixed asset fund	53	36
LGPS actuarial loss	35	36
LGPS service and interest costs	85	65
Movement in revenue funds for the year	13	34
Add: Transfers from revenue to capital to fund fixed asset additions	(7)	24
Operational surplus /(deficit) on revenue funds before transfers to capital	6	58

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Trustees' Report For the Year Ended 31 August 2021

At 31 August 2021, the net book value of fixed assets was £1,609k and movements in tangible fixed assets are shown in note 14 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the academies, the only exceptions to this being letting of the premises to local community groups and other affiliated organisations.

Financial position

The trust held fund balances at 31 August 2021 of £1,129k (2020: £1,289). These funds included restricted fixed asset funds of £1,608k (2020: £1,661k) and a total deficit position on revenue reserves of £479k (2020: total deficit of £372k) split across restricted and unrestricted funds as shown in note 19.

The only fund in deficit was the LGPS pension reserve of £585k (2020: £465k). The decrease in this reserve during the year has arisen because of the actuarial loss that occurred in the financial year along with the other pension current service and finance costs. The deficit is not a concern and does not mean that an immediate liability crystallises. It can be described as an accounting deficit which has no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions. These contribution rates are reviewed every three years in consultation with the scheme's administrators, and current employer contributions due by the academy trust are fixed until 1 April 2023.

Reserves Policy

The Governing Body, under recommendation by the Finance Committee, is mindful of the need to build up a level of reserves in order to mitigate any potential costs arising due to risks incurred during the course of the year. Whilst the Trust Funding Agreement does not allow the accumulation of funds greater than 12% of core income in any year, the Governing Body has determined that a pre-depreciation operating surplus should be budgeted for annually.

As at 31 August 2021 the School had free reserves available of £105k (2020: £93k). Free reserves are determined to be the balance of funds at the year end not represented by restricted funds or tangible fixed assets. The School also enjoys the support of Chiddingstone Parent Teacher Association (PTA) which also carries a level of reserves to support the School on selected projects and initiatives.

Investment Policy

Cash balances are held in accounts with major high street banks. Funds not required for immediate use are held in interest bearing accounts. Although year end cash balances were £109,489 in all applicable accounts, these resources have not been invested in higher interest term deposits because they will be required to fund specified school enhancement projects. Neither the Academy Trust nor its Governors hold any funds as custodian for third parties.

Principal Risks and Uncertainties

Governors have identified the following short to medium term risks as having the potential to materially affect the Academy Trust's finances:

- Reduction in pupil numbers; and/or changes to government funding formulae (e.g. Pupil Premium)
- Reduction in ancillary revenue (e.g. PTA funding and covenanted);
- Unexpected major repairs & maintenance costs (e.g. statutory regulations);
- Reduced parental commitment to school trips and enrichment fund;
- Fire & Theft;
- Key personnel and staff absence;
- Energy cost increases;
- Claim for deficient personnel practices;
- Fraud;
- Annual increases in government funding not keeping pace with wage inflation and other costs changes to Special Educational Needs High Needs Funding allocation from Kent County Council by 30% affecting income for supporting pupils with EHCPs and Learning Support Assistant salaries.

These risks are regularly considered as part of the school's overall controls framework (which is reported below).

Fundraising

The Trustees confirm that the school does not hire professional fundraisers, taking cash from tobacco companies, pressuring vulnerable people. All fundraising undertaken during the year was reported to the Trustees. At present, the Trust has a number of methods for fundraising:

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Trustees' Report For the Year Ended 31 August 2021

- Regular covenanting by parents, families and friends of the school;
- Activities organised by individual staff, parents or pupils, which may be aimed towards a specific projects or external causes such as Comic Relief;
- Larger scale fundraising by the Parent and Teacher Association, contributing towards more substantial projects such as the purchase of Smart Boards for every classroom.

The Senior Leadership Team determines priorities for fundraising, taking account of the views of pupils, staff and parents. The PTA is separately responsible for determining which of the school priority projects falls within its scope to support. The Trustees confirm the School keeps a close eye on where our funds are coming from.

PLANS FOR FUTURE PERIODS

The school improvement priorities for the academic year 2021-2022 have been agreed following a robust system of School Self-Evaluation and are as follows:

- 1) To support the wellbeing and mental health of pupils and staff through the Headstart Resilience programme action plan: leadership and management, pupil voice and staff development.
- 2) To continue to implement our recovery curriculum including:
 - Focus on whole school writing
 - Supporting early reading by implementing a new systematic synthetic phonics (SSP) and aligned reading scheme
 - Targeted Literacy and Maths support for pupils working below age related expectations (ARE)
- 3) Implement revised Cornerstones Curriculum Maestro curriculum to deliver Science and Foundation Subjects
 - Ensuring effective coverage, sequencing and progression of knowledge and skills
 - Ensuring effective use of Maestro assessment tool to support accurate teacher assessment of subjects
 - Developing subject support roles to support the creative curriculum lead in the planning, delivery and monitoring of foundation subjects.
- 4) Assessment:
 - Further development of formative assessment using Arbor in all subjects to support valid teacher assessment
 - Further development of EYFS assessment in line with the new EYFS Framework.
- 5) The effective use of increased pupil premium grant (including associated catch-up funding) to close the gap of disadvantaged pupils and raise attainment for all pupils.
- 6) Further improve the annual cycle of leadership monitoring, following Covid-19 restrictions, with a focus on the effectiveness of the curriculum to inform the Quality of Education judgement as part of the school self-evaluation process.

AUDITOR

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, and signed on the board's behalf by:



Christopher Darlington
Chair of Trustees

Date: 30 November 2021

Chiddingstone Church of England School

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Governance Statement For the Year Ended 31 August 2021

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Chiddingstone Church of England School 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 headteacher, 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 Chiddingstone Church of England School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Christopher Darlington	6	6
Molly Ward	5	6
Andrew Wilkinson	6	6
Rachel Streatfeild	6	6
Victoria Back	5	6
Claire Ward	4	6
Rupert Fleming	5	6
Jerome Basdeo	5	6
Helen Jane Cooper	6	6
Verity French	6	6
Joel Hopwood	4	6
Joanna Clare	5	6
Sally Musson	5	6

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to maintain effective oversight, ensuring robust governance and effective management of the academies funds

During the year the finance committee held 6 meetings. Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Christopher Darlington	6	6
Andrew Wilkinson	6	6
Rachel Streatfeild	6	6
Rupert Fleming	5	6
Louise Clarke	6	6

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

Chiddingstone Church of England School

(A company limited by guarantee)

Governance Statement For the Year Ended 31 August 2021

1. Ensuring efficiency of spend through competitive tenders
2. Reviewing the staff costs and skillsets within the school to ensure cost effective teaching and learning.
3. Sound management of the capital investment project ensuring the school's position is protected.

There has been much focus during the year on maintaining value for money when using the School's resources. We continue to obtain at least three competitive quotes when commissioning major capital projects to ensure best pricing. Staff contracts have been amended to pay specifically for the hours worked in school and also, new support staff contracts restructured so that additional teaching resources are aligned to the specific needs they are supporting.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chiddingstone Church of England School for the year to 31 August 2021 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 academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period year to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes 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:

- Not to appoint an auditor for this purpose. However, the trustees have appointed Rupert Fleming a trustee, to carry out a programme of internal checks.

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

- Payroll processes, in particular the processes in place for starters and leavers
- Bank reconciliations
- Procedures around recording the location of IT equipment held by staff and pupils

On a regular basis, the reviewer reports to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual 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.

Chiddingstone Church of England School

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**Governance Statement
For the Year Ended 31 August 2021**

Review of Effectiveness

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

- the work of the internal reviewer
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

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



Christopher Darlington
Chairman of Trustees

Rachel Streetfeild
Accounting Officer



Date: 30 November 2021

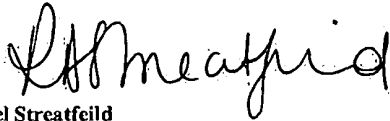
Chiddingstone Church of England School
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Statement on Regularity, Propriety and Compliance

As accounting officer of Chiddingstone Church of England School I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the 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 Academies Financial Handbook 2020.

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



Rachel Streatfeild
Accounting Officer

Date: 30 November 2021

Chiddingstone Church of England School
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2021

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 2020 to 2021;
- 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 and signed on its behalf by:



Christopher Darlington
Chair of Trustees

Date: 30 November 2021

Chiddingstone Church of England School
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of Chiddingstone Church of England School

Opinion

We have audited the financial statements of Chiddingstone Church of England School (the 'academy') for the year ended 31 August 2021 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 2020 to 2021 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 2021 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 2020 to 2021 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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, 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.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

Chiddingstone Church of England School
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Independent Auditors' Report on the financial statements to the Members of Chiddingstone Church of England School
(continued)

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 Trustees' responsibilities statement, 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.

Auditors' responsibilities for the audit of the financial statements

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

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:

How the audit was considered capable of detecting irregularities including fraud

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

- we identified the laws and regulations applicable to the academy trust through discussions with management, and from our commercial knowledge and experience of the academy and wider education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the academy trust, including the Academies Financial Handbook, Annual Accounts Direction, Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

Chiddingstone Church of England School
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of Chiddingstone Church of England School
(continued)

We assessed the susceptibility of the academy trust's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

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.

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

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Allan Hickie BSc FCA (Senior statutory auditor)
for and on behalf of
UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 7 December 2021

Chiddingstone Church of England School
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Chiddingstone Church of England School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 7 June 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chiddingstone Church of England School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Chiddingstone Church of England School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chiddingstone Church of England School 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 Chiddingstone Church of England School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Chiddingstone Church of England School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Chiddingstone Church of England School's funding agreement with the Secretary of State for Education dated 1 December 2011 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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.

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of Chiddingstone Church of England School for the year ended 31 August 2021 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

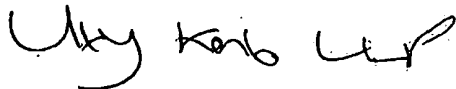
- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all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

Chiddingstone Church of England School
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Chiddingstone Church of England School and the Education & Skills Funding Agency (continued)

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 7 December 2021

Chiddingstone Church of England School
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	4	42,579	35,832	24,621	103,032	49,133
Other trading activities	5	37,556	4,632	-	42,188	40,859
Investments	7	13	-	-	13	304
Funding for educational operations	6	-	1,024,340	-	1,024,340	957,702
Total income		80,148	1,064,804	24,621	1,169,573	1,047,998
Expenditure on:						
Raising funds		4,572	-	-	4,572	4,505
Charitable activities	9	27,889	1,191,481	70,615	1,289,985	1,146,714
Total expenditure	8	32,461	1,191,481	70,615	1,294,557	1,151,219
Net income/(expenditure)		47,687	(126,677)	(45,994)	(124,984)	(103,221)
Transfers between funds	18	(35,243)	42,077	(6,834)	-	-
Net movement in funds before other recognised gains/(losses)		12,444	(84,600)	(52,828)	(124,984)	(103,221)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(35,000)	-	(35,000)	(36,000)
Net movement in funds		12,444	(119,600)	(52,828)	(159,984)	(139,221)
Reconciliation of funds:						
Total funds brought forward		92,980	(465,000)	1,661,088	1,289,068	1,428,289
Net movement in funds		12,444	(119,600)	(52,828)	(159,984)	(139,221)
Total funds carried forward	18	105,424	(584,600)	1,608,260	1,129,084	1,289,068

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


The notes on pages 24 to 46 form part of these financial statements.

Chiddingstone Church of England School
(A company limited by guarantee)
Registered number: 07800664

Balance Sheet
As at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	1,609,408	1,645,723
Current assets			
Stocks		1,516	2,412
Debtors	15	40,397	44,071
Cash at bank and in hand		109,489	251,732
		<u>151,402</u>	<u>298,215</u>
Creditors: amounts falling due within one year	16	(46,726)	(188,723)
Net current assets		<u>104,676</u>	<u>109,492</u>
Total assets less current liabilities		<u>1,714,084</u>	<u>1,755,215</u>
Creditors: amounts falling due greater than one year	17	-	(1,147)
Net assets excluding pension liability		<u>1,714,084</u>	<u>1,754,068</u>
Defined benefit pension scheme liability	25	(585,000)	(465,000)
Total net assets		<u><u>1,129,084</u></u>	<u><u>1,289,068</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	1,608,260	1,661,088
Restricted income funds	18	400	-
Pension reserve	18	(585,000)	(465,000)
Total restricted funds	18	<u>1,023,660</u>	<u>1,196,088</u>
Unrestricted income funds	18	<u>105,424</u>	<u>92,980</u>
Total funds		<u><u>1,129,084</u></u>	<u><u>1,289,068</u></u>

The financial statements on pages 21 to 46 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


Christopher Darlington
 Chair of Trustees

Date: 30 November 2021

The notes on pages 24 to 46 form part of these financial statements.

Chiddingstone Church of England School
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(82,187)	49,157
Cash flows from investing activities	22	(58,908)	(43,998)
Cash flows from financing activities	21	(1,148)	(1,149)
Change in cash and cash equivalents in the year		(142,243)	4,010
Cash and cash equivalents at the beginning of the year		251,732	247,722
Cash and cash equivalents at the end of the year	23, 24	<u>109,489</u>	<u>251,732</u>

The notes on pages 24 to 46 form part of these financial statements

Chiddingstone Church of England School
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2021

1. General information

Chiddingstone Church of England School is a company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operation are detailed on page 1.

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Chiddingstone Church of England School meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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.

2.3 Income

All income is 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 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.

Notes to the Financial Statements
For the Year Ended 31 August 2021

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

- **Expenditure 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.

Where applicable, all expenditure is shown inclusive of any irrecoverable VAT.

2.5 Taxation

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

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

2.6 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. 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.

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 over its expected useful life, as follows:

Depreciation is provided on the following basis:

Long-term leasehold property	-	2% straight line
Furniture and equipment	-	20% reducing balance
Computer equipment	-	25% straight line
Motor vehicles	-	20% reducing balance
Leasehold improvements	-	10% straight line

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. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

The buildings on Church land are not owned by the academy trust, and are occupied on a rolling supplemental agreement with the Rochester Diocese. The underlying land is subject to a variety of specific trusts and vests in a number of different parties represented by the Rochester Diocese. Whilst the Academy Trust does not own the buildings, the trustees do not regard the termination of the agreement to occupy as likely and therefore have reflected the fact that the economic derives economic value from the buildings, which it is obliged to maintain and improve, by including them in the accounts. This is at the valuation based on the Drivers Jonas Deloitte desktop valuation completed for the ESFA, as if occupied under long leasehold. The basis of the fair value is fair value, as defined by the International Financial Reporting Standards (IFRS). No value for land has been included.

This treatment reflects the substance of the transaction, not the strict legal form of the transaction and places no restriction on either the academy trust, the Diocese, or the trusts that own the land.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 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 15. 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 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.9 Operating leases

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

2. Accounting policies (continued)

2.10 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.

2.11 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.

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.

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 25, 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 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Critical accounting estimates and areas of judgment (continued)

We consider that there has been one key area of judgement in respect of the actuarial assumptions made leading to the closing pension scheme liability:

The "McCloud/Sargeant judgements". These employment tribunal cases relate to all public sector pension schemes and not specifically to the academy trust. The cases relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material and a past service cost adjustment was made, within staff costs, in the trusts 2018/19 financial statements.

Since then a consultation has taken place. Then, on 13 May 2021, the Government issued a ministerial statement which confirms that changes will be made to the LGPS Regulations to compensate members directly affected by the change to career average benefits from 1 April 2014. The Government's intention is that revised regulations will come into force on 1 April 2023, and draft regulations are expected later in 2021. In July 2021 the actuary has indicated that they do not believe there are any material differences between the approach underlying the estimated allowance and the proposed remedy, and therefore no further subsequent adjustment has been made.

Changes in accounting estimates:

The Academy Trust has taken the decision to change its accounting estimate in respect of the rate of depreciation on its leasehold improvements. Previously assets within this category were written down over a useful economic life of fifty years in-line with the depreciation policy for long-term leasehold property, however on consideration by the Academy Trust many items classed as leasehold improvements are expected to have a shorter useful economic life. Accordingly the Trust has decided to write the assets down over a useful economic life of ten years instead. This has had the impact to increase the rate of depreciation charged on this class of assets in this year's financial statements from £3,202 to £16,012.

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4. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	42,579	35,832	-	78,411	55,913
Capital Grants	-	-	24,621	24,621	(6,780)
	<u>42,579</u>	<u>35,832</u>	<u>24,621</u>	<u>103,032</u>	<u>49,133</u>
<i>Analysis of 2020 total by fund</i>	<u>39,497</u>	<u>16,416</u>	<u>(6,780)</u>	<u>49,133</u>	

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Catering income	-	386	386	12,049
Uniform sales	2,255	-	2,255	1,142
School trip contributions	(2,246)	-	(2,246)	(3,207)
Other income	37,547	4,246	41,793	30,875
	<u>37,556</u>	<u>4,632</u>	<u>42,188</u>	<u>40,859</u>
<i>Analysis of 2020 total by fund</i>	<u>17,161</u>	<u>23,698</u>	<u>40,859</u>	

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6. Funding for educational operations

	Restricted funds 2021 £	Total funds 2021 £	<i>As restated Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	787,500	787,500	743,737
Other DfE/ESFA grants			
Rates reclaim	2,534	2,534	2,534
Pupil Premium	19,077	19,077	14,977
Universal Infant Free School Meals	32,679	32,679	33,431
PE & Sports Grant	17,800	17,800	17,790
Teachers' Pay Grant	10,155	10,155	10,146
Teachers' Pension Grant	28,690	28,690	28,667
	<u>898,435</u>	<u>898,435</u>	<u>851,282</u>
Other Government grants			
Local Authority revenue grants	104,693	104,693	102,758
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	16,720	16,720	-
Other DfE/ESFA COVID-19 funding	3,600	3,600	-
	<u>20,320</u>	<u>20,320</u>	<u>-</u>
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme (CJRS) grant	892	892	3,662
	<u>1,024,340</u>	<u>1,024,340</u>	<u>957,702</u>
<i>Analysis of 2020 total by fund</i>	<u>957,702</u>	<u>957,702</u>	

Following the reclassification in the Academies Accounts Direction 2020 to 2021 of some grants received from the Department of Education and ESFA, this funding is now reported as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The trust received Covid catch up premium of £16,720 to support children and young people to catch up on missed learning caused by coronavirus (Covid-19). The costs incurred in respect of this funding totalled £16,720, there are no funds to be carried forward to be spent in 2021/22. The funding was spent in a variety of ways, including; purchasing more phonics resources, additional tuition, and a nurture club provision.

The other DfE/ESFA Covid-19 funding relates to exceptional funding relating to coronavirus to cover additional free school meal voucher costs during the lockdown periods, and the CJRS grant arose because the academy furloughed a small number of staff under the government's job retention scheme (this CJRS funding relates to staff costs which are included within note 12 below as appropriate).

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7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest receivable	13	13	304
<i>Analysis of 2020 total by fund</i>	304	304	

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	4,572	4,572	4,505
Educational operations:					
Direct costs	780,361	-	75,182	855,543	771,664
Allocated support costs	200,917	124,581	108,944	434,442	363,050
	981,278	124,581	188,698	1,294,557	1,139,219
<i>Analysis of 2020 total</i>	886,617	88,016	164,586	1,139,219	

9. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	855,543	434,442	1,289,985	1,134,714
<i>Analysis of 2020 total</i>	771,664	363,050	1,134,714	

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	200,917	168,341
Depreciation	70,615	53,410
Technology costs	16,927	9,365
Maintenance of premises	64,301	51,861
Governance costs	12,482	14,065
Other support costs	69,200	66,008
	<u>434,442</u>	<u>363,050</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	3,720	7,414
Depreciation of tangible fixed assets	70,615	52,768
Fees paid to auditors for:		
- audit	9,150	8,870
- other services	2,190	5,195
Previous auditors - non audit	630	-
	<u>83,305</u>	<u>71,247</u>

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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	701,581	660,950
Social security costs	47,194	41,343
Pension costs	232,503	182,648
	<u>981,278</u>	<u>884,941</u>
Staff restructuring costs	-	1,676
	<u>981,278</u>	<u>886,617</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	-	1,676
	<u>-</u>	<u>1,676</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	9	13
Admin and support	29	28
Management	4	3
	<u>42</u>	<u>44</u>

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11. Staff (continued)

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

d. 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 employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £265,371 (2020 - £202,398).

12. Trustees' remuneration and expenses

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

		2021	2020
		£	£
Rachel Streatfeild, Head Teacher & Accounting Officer	Remuneration	45,000 - 50,000	50,000 - 55,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Joanne Clare, Staff Trustee	Remuneration	30,000 - 35,000	30,000 - 35,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £455).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £25,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

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14. Tangible fixed assets

	Long-term leasehold property £	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2020	1,641,629	160,115	159,616	133,351	5,500	2,100,211
Additions	-	-	16,042	18,258	-	34,300
At 31 August 2021	1,641,629	160,115	175,658	151,609	5,500	2,134,511
Depreciation						
At 1 September 2020	224,557	12,014	119,914	93,288	4,715	454,488
Charge for the year	32,828	16,012	8,475	13,143	157	70,615
At 31 August 2021	257,385	28,026	128,389	106,431	4,872	525,103
Net book value						
At 31 August 2021	1,384,244	132,089	47,269	45,178	628	1,609,408
At 31 August 2020	1,417,072	148,101	39,702	40,063	785	1,645,723

15. Debtors

	2021 £	2020 £
Other debtors	-	26,161
Prepayments and accrued income	24,751	14,997
VAT recoverable	15,646	2,913
	40,397	44,071

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16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	1,148	1,149
Trade creditors	16,584	12,697
Other creditors	341	145,442
Accruals and deferred income	28,653	29,435
	<u>46,726</u>	<u>188,723</u>
	2021 £	2020 £
Deferred income at 1 September 2020	19,841	19,884
Resources deferred during the year	19,063	19,841
Amounts released from previous periods	(19,841)	(19,884)
	<u>19,063</u>	<u>19,841</u>

The deferred income is in respect of Universal Infant Free School Meals grant funding which has been received in advance of the next academic year.

17. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Other loans	-	1,147

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18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	92,980	80,148	(32,461)	(35,243)	-	105,424
Restricted general funds						
General Annual Grant (GAG)	-	787,500	(845,619)	58,119	-	-
Pupil Premium	-	19,077	(19,077)	-	-	-
Other DfE/ ESFA	-	91,858	(91,458)	-	-	400
Other Government Grants	-	104,693	(104,693)	-	-	-
Catch-up Premium	-	16,720	(16,720)	-	-	-
Other DfE/ESFA Covid-19 funding	-	3,600	(3,600)	-	-	-
Coronavirus Job Retention Scheme	-	892	(892)	-	-	-
Other Activities	-	40,464	(24,422)	(16,042)	-	-
Pension reserve	(465,000)	-	(85,000)	-	(35,000)	(585,000)
	<u>(465,000)</u>	<u>1,064,804</u>	<u>(1,191,481)</u>	<u>42,077</u>	<u>(35,000)</u>	<u>(584,600)</u>
Restricted fixed asset funds						
Fixed assets	1,645,723	-	(70,615)	34,300	-	1,609,408
DfE/ESFA Capital Grants	17,661	24,621	-	(42,282)	-	-
Salix Loan	(2,296)	-	-	1,148	-	(1,148)
	<u>1,661,088</u>	<u>24,621</u>	<u>(70,615)</u>	<u>(6,834)</u>	<u>-</u>	<u>1,608,260</u>
Total Restricted funds	<u>1,196,088</u>	<u>1,089,425</u>	<u>(1,262,096)</u>	<u>35,243</u>	<u>(35,000)</u>	<u>1,023,660</u>
Total funds	<u><u>1,289,068</u></u>	<u><u>1,169,573</u></u>	<u><u>(1,294,557)</u></u>	<u><u>-</u></u>	<u><u>(35,000)</u></u>	<u><u>1,129,084</u></u>

18. Statement of funds (continued)

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

The General Annual Grant (GAG) represents core funding for the educational activities of the Academy Trust and has been provided via the Education and Skills Funding Agency (ESFA) by the Department for Education. GAG must be used for the normal running costs of the academy trust. The transfer into the GAG fund is from the unrestricted fund and has been made to cover the excess of GAG expenditure over GAG income in the year.

Covid catch-up premium relates to additional funding provided by the DfE to support children and young people to catch up on missed learning caused by coronavirus (Covid-19). This has been spent in a variety of ways, as outlined in note 6.

The Other DfE/ESFA grants fund is used to track other grant money received from the DfE/ESFA and connected bodies, and includes Teachers' Pension Grants, Teachers' Pay Grants, Universal Infant Free School Meals and PE & Sports funding.

The other government grants fund is used to track grants provided by government departments.

The pension reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.

The other restricted fund is used to account for any non-government grant income that is treated as restricted funding.

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. A transfer out of the fund to GAG has been made for the amount of £24,024. This is the amount of capital income spent on items that fall below the fixed asset capitalisation criteria of £1,000.

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 2021.

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General funds	94,754	100,749	(20,597)	(81,926)	-	92,980
Restricted general funds						
General Annual Grant (GAG)	-	743,737	(801,920)	58,183	-	-
Pupil Premium	-	14,977	(14,977)	-	-	-
Other DfE/ ESFA	-	53,755	(53,755)	-	-	-
Other Government Grants	-	141,571	(141,571)	-	-	-
Other Activities	-	43,776	(43,776)	-	-	-
Pension reserve	(364,000)	-	(65,000)	-	(36,000)	(465,000)
	<u>(364,000)</u>	<u>997,816</u>	<u>(1,120,999)</u>	<u>58,183</u>	<u>(36,000)</u>	<u>(465,000)</u>
	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Restricted fixed asset funds						
Fixed assets	1,661,611	-	(39,631)	23,743	-	1,645,723
DfE/ESFA Capital Grants	39,369	(6,780)	(14,928)	-	-	17,661
Salix Loan	(3,445)	-	1,149	-	-	(2,296)
	<u>1,697,535</u>	<u>(6,780)</u>	<u>(53,410)</u>	<u>23,743</u>	<u>-</u>	<u>1,661,088</u>
Total Restricted funds	<u>1,333,535</u>	<u>991,036</u>	<u>(1,174,409)</u>	<u>81,926</u>	<u>(36,000)</u>	<u>1,196,088</u>
Total funds	<u>1,428,289</u>	<u>1,091,785</u>	<u>(1,195,006)</u>	<u>-</u>	<u>(36,000)</u>	<u>1,289,068</u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	1,609,408	1,609,408
Current assets	105,424	45,978	-	151,402
Creditors due within one year	-	(45,578)	(1,148)	(46,726)
Provisions for liabilities and charges	-	(585,000)	-	(585,000)
Total	105,424	(584,600)	1,608,260	1,129,084

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	1,645,723	1,645,723
Current assets	280,554	-	17,661	298,215
Creditors due within one year	(186,427)	-	(2,296)	(188,723)
Creditors due in more than one year	(1,147)	-	-	(1,147)
Provisions for liabilities and charges	-	(465,000)	-	(465,000)
Total	92,980	(465,000)	1,661,088	1,289,068

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20. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(124,984)	(103,221)
Adjustments for:		
Depreciation	70,614	53,410
Capital grants from DfE and other capital income	24,621	6,780
Interest receivable	(13)	(304)
Defined benefit pension scheme cost less contributions payable	78,000	59,000
Defined benefit pension scheme finance cost	7,000	6,000
Decrease in stocks	896	292
Decrease in debtors	3,674	6,704
(Decrease)/increase in creditors	(141,995)	20,496
Net cash (used in)/provided by operating activities	(82,187)	49,157

21. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(1,148)	(1,149)

22. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	13	304
Purchase of tangible fixed assets	(34,300)	(37,522)
Capital grants from DfE Group	(24,621)	(6,780)
Net cash used in investing activities	(58,908)	(43,998)

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	109,489	251,732

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24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	251,732	(142,243)	109,489
Debt due within 1 year	(1,149)	1	(1,148)
Debt due after 1 year	(1,147)	1,147	-
	<u>249,436</u>	<u>(141,095)</u>	<u>108,341</u>

25. 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 2019.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 2023.

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25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £91,000 (2020 - £60,000).

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 2021 was £67,000 (2020 - £65,000), of which employer's contributions totalled £52,000 (2020 - £47,000) and employees' contributions totalled £ 15,000 (2020 - £13,000). The agreed contribution rates for future years are 21 per cent for employers, increasing to 22.5% from April 2022, and 5.5 -12.5 per cent for employees.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.9	3.3
Rate of increase for pensions in payment/inflation	2.9	2.3
Discount rate for scheme liabilities	1.7	1.6

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.8
Females	23.6	23.8
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.1	25.2

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25. Pension commitments (continued)

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(28)	(22)
Discount rate -0.1%	29	23
Mortality assumption - 1 year increase	51	38
Mortality assumption - 1 year decrease	(49)	(36)
CPI rate +0.1%	(1)	-
CPI rate -0.1%	1	-
	<u>1</u>	<u>-</u>

Share of scheme assets

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

	2021	2020
	£	£
Equities	428	337
Gilts	4	3
Corporate bonds	91	67
Property	67	57
Cash and other liquid assets	19	16
Other	46	40
Total market value of assets	<u>655</u>	<u>520</u>

The actual return on scheme assets was £78,000 (2020 - £20,000).

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

	2021	2020
	£	£
Current service cost	(130,000)	(106,000)
Interest income	9,000	9,000
Interest cost	(16,000)	(15,000)
Total amount recognised in the Statement of Financial Activities	<u>(137,000)</u>	<u>(112,000)</u>

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25. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	985,000	810,000
Current service cost	130,000	106,000
Interest cost	16,000	15,000
Employee contributions	15,000	13,000
Actuarial losses	104,000	47,000
Benefits paid	(10,000)	(6,000)
At 31 August	<u>1,240,000</u>	<u>985,000</u>

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

	2021 £	2020 £
At 1 September	520,000	446,000
Interest income	9,000	9,000
Actuarial gains	69,000	11,000
Employer contributions	52,000	47,000
Employee contributions	15,000	13,000
Benefits paid	(10,000)	(6,000)
At 31 August	<u>655,000</u>	<u>520,000</u>

26. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	1,235	4,967
Later than 1 year and not later than 5 years	9,309	1,067
	<u>10,544</u>	<u>6,034</u>

27. 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.

28. 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 Academies Financial 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.

Income related party transactions

During the year ended 31 August 2021 the academy trust received covenanting income totalling £3,960 (2020: £3,960) from 8 trustees (2020: 8).