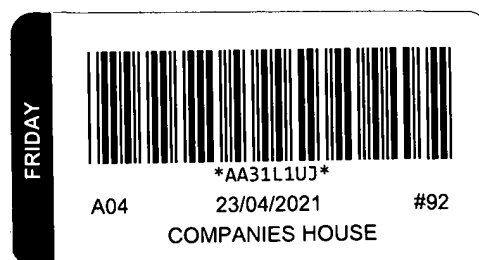


Company Registration Number: 07807291 (England & Wales)

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2020



St John's Church of England Primary School Maidstone
(A company limited by guarantee)

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St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Reference and Administrative Details of the Academy Trust, its trustees and Advisers for the Year Ended 31 August 2020

Members The Diocese of Canterbury Academies Company Ltd
G. P. Munson (on behalf of Parochial Church Council of Boxley (Canterbury Diocese))
Rev. Canon J. Corbyn (on behalf of Archdeacon of Maidstone)
A. Parker-Bruce, Chair of Trustees

Trustees A. Parker-Bruce, Chair of Trustees ¹
S. E. Willmott, Vice Chair of Trustees and Chair of Finance ^{1 2}
Rev. P Kite (terminated 13 April 2020) ²
G. P. Munson (terminated 10 November 2019) ²
M. Parkes ²
G. Bibby (on behalf of Archdeacon of Maidstone)
S. Eaton ³
W. Butler
D. J. D. Smith, Headteacher and Accounting Officer ¹
J. Finch Deputy Headteacher
H. M. Downey Staff Trustee
A. Pearce Staff Trustee (appointed 7 October 2019, terminated 17 January 2020)
H. L. Griffiths Staff Trustee (appointed 24 September 2020)
E. Keefe Parent Trustee (terminated 2 December 2019)
N. Gurung Parent Trustee (terminated 19 October 2019)
S. A. Brindle Parent Trustee (appointed 8 January 2020) ¹
E. M. Munro Parent Trustee (appointed 6 April 2020)

¹ Members of the Finance Committee

² On behalf of Parochial Church Council of Boxley (Canterbury Diocese)

³ On behalf of The Diocese of Canterbury Academies Company

Company registered number 07807291

Company name St John's Church of England Primary School Maidstone

Principal and registered office St John's Church of England Primary School
Provender Way
Weaving
Maidstone
Kent
ME14 5TZ

Senior management team D. J. D. Smith, Headteacher
J. Finch, Deputy Headteacher
H. M. Downey, Chief Financial Officer

Independent auditors UHY Kent LLP t/a UHY Hacker Young
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Bankers National Westminster Bank
3 High Street Maidstone
Kent
ME14 1HJ

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2020

The trustees present their annual report together with the financial statements and auditor's reports of the Academy Trust for the year 1 September 2019 to 31 August 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity, and its Memorandum and Articles of Association are the primary governing documents of the Trust.

The trustees of St John's Church of England Primary School Maidstone are also the directors of the Trust for the purposes of company law and are sometimes also referred to as governors since this is the common term used in educational institutions. 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 Trust 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.

Trustees' Indemnities

The Trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The 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 Trust.

Details of the insurance cover are provided in note 14 to the financial statements.

Principal Activities

The Trust took over the operation of St John's Church of England Primary School Maidstone on the school's conversion to academy status on 1 November 2011. Since then the Trust's principal object and activity has been to manage the school's provision of education to pupils between the ages of 4 and 11, serving a catchment area of Grove Green, Weaving and Bearsted Park, Maidstone. It has a pupil capacity of 436 and had a roll of 438 (2019 – 436) in the school census on 1st October 2020.

Method of Recruitment and Appointment or Election of Trustees

Under the terms of its Articles, the Trust shall have the following trustees:

- Parent trustees - Appointment by nomination and, as appropriate, election through a ballot
- Staff trustees - Appointment by nomination and, as appropriate, election through a ballot
- Parochial Church Council, Archdeacon's appointment and Diocese of Canterbury Academies Company Governors –
By nomination
- Other trustees (Headteacher and Priest in Charge, Boxley Parish) – As incumbents where in role
- Additional trustees – These may be appointed by either the Secretary of State for Education or the Diocese should they see fit to do so and in consultation with the Trust.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees depends on their previous experience. All new trustees are given a tour of the school and the chance to meet with staff and pupils. All trustees are also provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. The trustees utilise the services of Kent County Council for Governor Training and the National Governor Association and all trustees have access to a full programme of courses which they will choose to attend, based on their role and experience.

Organisational Structure

The organisational structure consists of two levels: the trustees and the Senior Management Team (including the extended Senior Leadership Team, which includes senior staff). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. During the year under review the full board met six times and there were seven Finance Committee meetings.

St John's Church of England Primary School Maidstone
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Trustees' Report
For the Year Ended 31 August 2020

Organisational Structure (continued)

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. The majority of roles and responsibilities have been delegated to a small number of committees. The full board has retained responsibility for certain key aspects.

The Senior Leadership Team comprises the Headteacher, Deputy Headteacher, the Finance and Administration Manager, together with Key-Stage leaders, subject leaders and the Special Educational Needs Coordinator. These managers control the Trust at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for posts in the Senior Leadership Team always contain a trustee.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Academy Trust comprise the trustees and Senior Management Team as disclosed on page 1.

The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the board of trustees, after taking advice from the Headteacher and following guidance from the relevant professional pay review bodies. Naturally, the Headteacher was not involved in setting his own remuneration package.

Only staff trustees, including the Headteacher, are remunerated, and these individuals only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as trustees. Specific disclosures concerning staff trustees' remuneration are included in note 13.

The day to day running of the remuneration policy is delegated to the Headteacher and monitored by the personnel and finance committees. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked closely to pay spines, helping trustees conclude that each individual's remuneration is at an appropriate level. As such salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bear in mind the charitable status of the Academy Trust and recognise the fact the Trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the Trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 12d.

Risk Management

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to manage risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Connected Organisations, including Related Party Relationships

The school enjoys a very positive relationship with the bodies that appoint the members and the majority of trustees; the Diocese of Canterbury Academies Company Ltd and Boxley Parochial Church Council. Material changes to the school are formally and informally consulted such that these "sponsors" views are clearly represented. Less formally, the school maintains open channels of communication with both organisations.

The school also benefits from an active parent led group, The Friends of St John's, who raise money on the behalf of the school.

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2020

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Trust is the operation of the Academy and it is to provide education for pupils between the ages of 4 and 11. Our aim is to educate children to a high standard whilst maintaining our core Christian values. See below

Objectives, Strategies and Activities

The Trust was set up to advance, for the public benefit, education in the local area.

As a Church of England school we attain high standards in a Christian Ethos of care and respect. Our objective is to ensure that all children achieve their potential both academically and socially. We have made overt our Vision and core Christian values of Friendship, Forgiveness, Trust and Compassion. In doing this the Governing Body seeks to maintain and indeed strengthen the school's high standards of achievement and its core values, whilst continuing to work to fulfil the Academy's medium and longer term development plans.

Public Benefit

St John's Church of England Primary School Maidstone is an Academy converter catering for children aged 4 to 11 and strives to promote and support the advancement of education within the local area. The school provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of its pupils in areas such as academic distinction, music, the arts and sport.

The school was awarded an Outstanding grading from Ofsted following inspection in July 2015, with particular emphasis on Leadership and Management, Behaviour and Safety, Quality of Teaching, Achievement of Pupils and Early Years Provision.

As a Church of England School, we work tirelessly to maintain and strengthen our Christian caring ethos and have embedded our core values of Friendship, Forgiveness, Trust and Compassion across the school. Our vision is as under

Our school is a place of sanctuary, strength and high achievement where all are heard, respected, encouraged and nurtured. Ever outward looking and rooted in the teachings of Jesus; as stewards of God's creation we aim to grow beyond all we can imagine.

In June 2019 the school was one of the first to be inspected under the new framework for the Statutory Inspection of Anglican and Methodist Schools (SIAMS) and we remain very proud to be rated Good following a very rigorous review. The implementation of our vision was a key focus for the inspector.

In December 2019 the school underwent an Ofsted Section 8 "Deep-dive" Subject (History) Inspection, which does not affect our overall Current (Section 5) Ofsted Report (2015) but which highlighted the good progress being made in delivering the new curriculum. Both of these formal inspections provided very positive parent feedback through OFSTED'S online parent questionnaire.

Wherever possible the school also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example:

- The Church of St John's
- Boxley Parish Council
- A slimming club
- Various sports clubs, for example circuit training, dance and Beginners2Runners
- Local children's football clubs and karate club
- The Choral Society
- Blood Donors

After considerable research and due diligence, from April 2018, we accepted a company, EnergyKidz, a provider of out of school childcare with breakfast, after school and holiday clubs, to operate from our premises. This company contracts directly with parents/carers and provides revenue to the school for the use of the hall and grounds throughout the year. The service is well used and held in high regard.

In addition pupils go out into and support the community and as examples;

- The choir perform externally
- Pupils undertake litter picking in the local area
- Food received during our Harvest festival is taken to our local charity Homeless Care (formerly Maidstone Christian Care) which also supports the homeless and operates a food bank

On a wider basis the children regularly become involved in charity activities, the school council and eco council deciding which charities to support and focussing especially on those involving disadvantaged children and the environment.

St John's Church of England Primary School Maidstone
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Trustees' Report
For the Year Ended 31 August 2020

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees believe that the Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

STRATEGIC REPORT

Achievements and Performance

Following inspection in July 2015 the Academy achieved an OFSTED Grading of Outstanding in all areas (Leadership and Management, Behaviour and Safety, Quality of Teaching, Achievement of Pupils and Early Years Provision). We are alive to the requirements of the new Ofsted Framework and are working to ensure an Outstanding Grade under these new criteria.

St John's Church of England Primary School is committed to:

Raising pupil attainment and improving progress

Sadly, due to the Coronavirus pandemic our pupils' education was considerably disrupted. Following government guidance, the school closed to all but children of keyworkers and vulnerable children from 23 March. Whilst it was not a legal requirement, the majority of Early Years (Reception), Year 1 and Year 6 pupils returned from 1 June until the end of the academic year, albeit the protections required to keep the school Covid-safe meant the school days were not as they would otherwise have been but the school worked tirelessly to adhere to Government guidelines during this time. Children in all other year groups returned for a day at the end of the last term to say goodbye to their form teacher and to then meet their new teacher before the start of the new academic year. On-line learning was made available to assist parents who were required to home educate their children. Teachers maintained contact with parents and pupils through "Seesaw" a remote learning facility, and telephone contact. As nationally, there were no end of year assessments.

The results for the academic year 2018/2019 are reproduced below against which we would otherwise have reported the results for 2019/20.

At the end of the 2018/19 academic year test results at the end of Key Stage 2 were significantly above the government's floor targets both for progress and attainment.

Key Stage 2:

- 84.4% achieved at the "expected" standard + in Reading, Writing and Maths, the national average being 65%
- 23.4% achieved at a higher standard in Reading Writing and Maths, the national average being 10%.

Key Stage 1:

- 87% achieved the "expected" standard + in Reading, the national average being 75%
- 82% achieved the "expected" standard + in Writing, the national average being 69%
- 85% achieved the "expected" standard + in Maths, the national average being 76%

Early Years Foundation Stage:

- 85% achieved a good level of development, the national average being 72%

The Academy tracks the progress of all children, providing data that celebrates strengths and highlights to staff underachievement. This triggers a range of interventions designed to accelerate progress and attainment. As a result of this system of identifying children in danger of underachieving at the earliest juncture, St John's Church of England Primary School is able to maintain its commitment to strive for the highest standards across the curriculum for all our children. Having been unable to review progress apart from the first two terms, the 2020/21 academic year is focusing on identifying learning that the school and parents have together been able to achieve and then providing interventions to assist those children who have fallen behind their peers. Additional funds have been set aside for these interventions. We recognise that the circumstances in each home during lockdown were varied with some parents being both capable and "time rich" and others being one, the other or neither.

In the absence of formal assessments in reviewing the year the school prides itself that our focus on added health and safety measures, on-site procedures and safeguarding during the lockdown period resulted in a very high number of parents feeling sufficiently confident to send their children to school in line with government guidelines.

St John's Church of England Primary School Maidstone
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Trustees' Report
For the Year Ended 31 August 2020

On 1st June the school welcomed 132 children 112 (of 185) from years R, 1 and 6 and 20 keyworker or vulnerable children from on the year groups. By 15th July the number of children in school had increased to 201 children, 143 from years R, 1 and 6 children and 58 keyworker or vulnerable children from other year groups.

The school received compliments from staff and parents and the results of questionnaires, sent to parents of those children in school and those that were not and staff, provided evidence of the high regard in which the school is held by our stakeholders for the support given in school and for home learning both academically and providing support for their wellbeing. In October 2020 the headteacher received a call from Public Health England who were satisfied that our procedures to maintain Covid safety were satisfactory and thus a physical inspection was not required.

The Academy compares itself to other schools nationally and monitors teaching and learning; it is committed to closing the achievement gap with all groups of children without compromising the highest achievers. It also works closely with other local schools in a consortium to enable this Academy, as with others, to identify and implement improvements and ensure best practice. Although we have been unable to compare results for 2019/20, we have maintained contact with our consortium as we have all navigated the requirements of the latter half of the year.

The Academy's ethos is one of continuous improvement and seeking to improve its quality of teaching and learning provision in its mission to strive for excellence. This mission was demonstrated by the high quality of on line learning provided to pupils at home which was also used for those children in school during lockdown.

In addition to academic achievement the Sports Premium is carefully managed to ensure all children benefit and the school has a wide range of clubs to enable pupils to further broaden their learning. The Sports Premium that was not used during lockdown will enhance the provision in the 2020/21 year and the wide range of clubs will resume as soon as practicable as the school is aware of the detrimental effect on the children who miss these activities.

The Academy has achieved and/or maintained

- A Silver Mark for our provision of sport and physical education.
- We have been recognised by Eco schools as a Green Flag, the highest accolade achievable currently
- A Green school by The Woodland Trust and we are working towards Platinum standard.
- We remain a New Ways to School Platinum School Travel school for the number of children walking, scooting and the like to and from school, first obtained in 2018.

Key Financial Performance Indicators

The trustees consider that the following are key performance indicators for the Trust:

- The school remained oversubscribed as a school of first choice (the most oversubscribed in Kent) at year R for September 2020 admissions, with a waiting list of children placed elsewhere;
- It achieved an "Outstanding" rating by Ofsted in 2015, Good rating for SIAMS in June 2019 and a positive Section 8 review in December 2019;
- It operates within budget which is set to ensure revenue expenditure broadly matches income;
- Income per pupil was £4,419 (2019: £4,151); and
- 84% (2019 84%) of Income received from the ESFA and KCC, excluding Universal Infant Free School Meals, is spent on staff costs (including pension costs incurred excluding provision for notional pension liability).

The trustees have been pleased that expectations for all key performance indicators listed have been successfully met during the period.

The use of EnergyKidz, wrap around care has proved to be a very popular and is a highly thought of provision, which is also providing income to the Academy.

We are very aware of the need to ensure the wellbeing of our staff not only for their benefit, but also to ensure outstanding performance individually and as a team and to maintain our high levels of staff retention. The dedicated Planning Preparation and Assessment (PPA) space available from September 2018 is much valued by staff allowing them to work effectively on site but without distraction.

The General Data Protection Regulations, which came into force on 25 May 2018, caused the Academy to review all aspects of data handling. Our Finance and Administration manager continues to work with consortium schools to maintain best practice so that the Academy can meet expectations and compliance. The Academy has retained the services of an external Data Protection Officer, provided by Cantium Business Solutions, a wholly owned subsidiary of Kent County Council.

St John's Church of England Primary School Maidstone
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Trustees' Report
For the Year Ended 31 August 2020

Financial Review

Most of the academy trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA"). Core grant income has been supplemented by capital funding and various other self-generated income streams.

Total income for the year was £1.94m up compared to £1.81m in the previous year. The General Annual Grant (GAG) funding increased by £167k (2019 £91k). There were also increases in Other DfE/ESFA grants of £64k, £58k of which was a grant towards teacher pension costs (2019 £Nil). Local Authority grants reduced by £48k. Special Educational Needs funding increased by £34k but we no longer received rising roll funding which had been £82k in 2019.

The incoming resources for the year have not been sufficient to cover total resources expended of £1.96m (2019: £1.89m) resulting in net expenditure for the year of £27k (2019: £75k), as shown on the SoFA. The overall net movement in funds, after actuarial movements on the Local Government defined benefit pension scheme ("LGPS"), was a reduction of £202k (2019: reduction £205k). It is important to note that this overall movement in funds does not reflect the meaningful operational result and includes movements that do not relate to day-to-day running of the academy.

Excluding movements on tangible fixed assets, the LGPS defined benefit pension liability and revenue to capital transfers the trust's operational surplus on revenue funds for the year was £113k (2019: £65k surplus), as reconciled from the SoFA in the table on the next page.

	2020 (£000s)	2019 (£000s)
Overall net movement in funds for the year per SoFA	(202)	(205)
<u>Add:</u>		
Decrease / (increase) attributable to fixed asset fund	9	32
LGPS actuarial (gain)/loss	175	130
LGPS service and interest costs	125	108
Total movement in year on revenue funds	107	65
Revenue to capital transfers	6	-
Operational surplus /(deficit) on revenue funds	113	65

At 31 August 2020, the net book value of fixed assets was £105k and movements in tangible fixed assets are shown in note 15 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 trust's academies, the only exceptions to this being limited letting of the premises to local community groups.

Financial position

Unlike non-church academies, the school land and buildings are not recognised as assets in the financial statements and so the trust has overall net liabilities of £467k (2019: £265k). The balance sheet is weakened considerably by the pension scheme deficit. At 31 August 2020 the pension fund deficit amounted to £965k (2019: £665k; this is not a concern because it does not mean that an immediate liability crystallises; it is an accounting deficit with no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions are currently 20%, moving to 21% from 1 April 2021 and then to 22.5% from 1 April 2022. The significant increase in the carried pension deficit relates to changes in the underlying actuarial assumptions and these are described in notes 2 and 25 to the financial statements.

Alongside the pension deficit the trust held restricted fixed asset funds of £105k (representing the net book value of fixed assets), together with restricted revenue funds of £136k (2019: £68k) and unrestricted revenue funds of £256k (2019: £218k).

Going Concern

Given the comments in the financial position section above, after making appropriate enquiries, the board of trustees has a reasonable expectation that the 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 note 1.2.

St John's Church of England Primary School Maidstone
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Trustees' Report
For the Year Ended 31 August 2020

Reserves Policy

The trustees review the reserve levels of the Trust throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

Financial and Risk Management Objectives and Policies

The Trust operates within a budget. It does not use complex financial instruments but manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

Principal Risks and Uncertainties

The main risks that the Trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

- *Operational and reputational* - this covers risks to the running of the Academy (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.
- *Financial* - covering risks to the Trust's financial position, including revenue streams, cost control and cash management.

The risks to which the Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, falling pupil numbers, changes to rules and regulations, and the financial position of the staff pension schemes.

Investment Policy

The Academy rarely has large sums suitable for formal investment. It does, however, ensure that any available funds can earn interest whilst remaining available within timescales defined by the intended use of the funds.

FUND RAISING

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the trustees must include information on fundraising practices.

The academy has hitherto had very little identifiable fundraising from the public for its own benefit. Events regularly take place in the year (but curtailed in this financial year following restrictions due to Covid 19 risks) to raise money for specific charities. When events are held there is no pressure to support the charity and amounts suggested for children are modest so that parents/carers of all children are able to participate. The charities are chosen by the children to support those that mean something to them. No chosen charity has any political involvement.

We approach reputable bodies locally including e.g. Tesco, the Royal Engineers 36 Engineers Regiment, the Gurkhas and local businesses seeking support, in particular in the provision of labour, to undertake projects within the school that cannot be funded within the budget. In the past, the support received has been of enormous value to the academy and has fitted with the provider's requirement for Social Responsibility. We continue to seek such support.

There have been no complaints in respect of fundraising.

The Friends of St John's, a separate legal entity, managed by a committee of parents elected by parents, organise events to raise money for the school. The Friends events conform to recognised standards.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Consortium F – £3,939 (2019: £2,782). This balance relates to monies pooled by a group of local schools in order that the costs of training and development on common issues may be shared. The Academy acts as treasurer for the consortium and so this balance is reflected as a creditor in these Financial Statements.

St John's Church of England Primary School Maidstone
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Trustees' Report
For the Year Ended 31 August 2020

PLANS FOR FUTURE PERIODS

The future plans for the school are based on ensuring that the highest standards of education and maximum opportunities are provided for all our pupils.

We maintain School Improvement Plans, agreed between the Headteacher and Governors – Examples of 2019/20 Key Priorities are:

- To maintain the recognised high standards we achieve in Reading, Writing and Mathematics;
- To develop our curriculum to meet the rigours of the new Ofsted Framework for a wider curriculum;
- To maintain our now embedded, rigorous, efficient and effective assessment system;
- To maintain and strengthen high standards of behaviour and to ensure all aspects of safeguarding are rigorously managed;
- To remain an Attachment Friendly School; and
- To ensure we comply with all aspects of Workforce Reform Guidance

During the year our plans were curtailed or postponed due to the Coronavirus/Covid 19 pandemic. The school is alive to the results of Ofsted's inspection of schools the results of which were published on 9 November 2020 and quoting the chief inspector, Amanda Spielman

There are three "broad groups" to describe what has happened:

- *The "hardest-hit" group of young children have suffered from time out of school, going backwards on words and numbers and with "regression back into nappies among potty-trained children" or losing "basic skills" such as using a knife and fork.*
- *The majority of children in the middle "have slipped back in their learning to varying degrees since schools were closed to most children and movement restricted" and the report says: "Lost learning is unarguable, but it is hard to assess."*
- *There are also children who found the lockdown a positive experience - these children, from supportive but not necessarily well-off backgrounds, might have benefited from a greater sense of togetherness with parents and "quality time" as a family*

Ms Spielman says this did not divide along the lines of advantage and deprivation, but instead factors such as whether parents were able to spend time with children and families having what she described as "good support structures".

Despite the repercussions of the continuing pandemic e.g. the necessary safety measures disrupting the social day, reduced social contact, and the anxiety that many children exhibit, 2020/2021 will be a year to ensure every child is able to progress from their individual baseline assessment with staff focused on and working towards what would have been expected had there been no disruption within an environment where pupils and staff can feel secure.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the trustees have taken all the steps 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.

AUDITORS

The auditors, UHY Kent LLP have indicated their willingness to continue in office, which will be considered by the Trustees. The designated trustees will propose a motion re-appointing the auditors at a meeting of the trustees.

This report was approved by order of the Board of Trustees and signed on the board's behalf by:



A. Parker-Bruce
Chair of Trustees



D.J. D. Smith
Accounting Officer

Date: 10 December 2020

St John's Church of England Primary School Maidstone
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Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that St John's Church of England Primary School Maidstone has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the 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 St John's Church of England Primary School Maidstone 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>
A. Parker-Bruce	6	6
S. E. Willmott	6	6
G. P. Munson	1	1
M. Parkes	5	6
G. Bibby	5	6
Rev. P Kite	0	3
D. J. D. Smith	6	6
J. Finch	5	6
H. M. Downey	4	6
E. Keefe	1	1
N. Gurung	0	1
S. Eaton	5	6
W. Butler	5	6
A. Pearce	1	2
S. Brindle	4	4
E. Munro	2	3

Governance reviews:

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, prepare and approve the budget and ensure that sufficient financial controls are in place to safeguard the Academy's assets, provide Value for Money and to protect against financial risks.

The accounting system enables production of timely financial reporting and management information. Trustees and staff continued to ensure that pupils' safety and progress was not compromised whilst budgetary control remained firm.

Attendance at Finance Committee meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
D. J. D Smith	6	7
S. E. Willmott	7	7
A. Parker-Bruce	3	7
E. Keefe	3	3
S. Brindle	3	4

H. M. Downey, in her role as Chief Financial Officer, attended 7 meetings and T Barnaba attended 7 meetings in her capacity as a member of the finance team.

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Governance Statement (continued)

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 continued value for money during the year by:

- Ensuring funds are allocated with precision to ensure benefit for all pupils.
- Accurate use of funds in the employment, deployment and organisation of support staff to work with and support more vulnerable and disadvantaged children educationally, medically and with regard to some children's personal care.
- The Academy reviews and monitors results proactively.
- The Academy continues to closely monitor supplier contracts to ensure value for money is achieved.
- The Academy seeks to improve lettings income, which fell by 32% over the last year due to the closure of the school due to the pandemic

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 St John's Church of England Primary School Maidstone for the year 1 September 2019 to 31 August 2020 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees appointed UHY Hacker Young, the external auditors, to perform additional checks during the year. Due to the revised FRC Ethical Standard going forward the roles will be undertaken by separate and unconnected firms.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a semi-annual basis, the auditor's report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

During the year ended 31 August 2020 the internal audit function was fully delivered in line with the requirements of the Education Funding Agency, adjusted as a result of the pandemic, and no material issues were reported to the trustees.

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Governance Statement (continued)

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control and a plan to 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:



A Parker-Bruce, Chair of Trustees



D. J. D. Smith, Headteacher and Accounting Officer

Date: 10 December 2020

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of St John's Church of England Primary School Maidstone I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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.



Daniel J. D. Smith
Accounting Officer

Date: 10 December 2020

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2020

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 2019 to 2020;
- 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:



Andrew Parker-Bruce
Chair of Trustees

Date: 10 December 2020

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of St John's Church of England Primary School Maidstone

Opinion

We have audited the financial statements of St John's Church of England Primary School Maidstone (the 'academy trust') for the year ended 31 August 2020 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 2019 to 2020 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 Trust's affairs as at 31 August 2020 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 2019 to 2020 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of St John's Church of England Primary School Maidstone (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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



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: 16 December 2020

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 5 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St John's Church of England Primary School Maidstone during the year 1 September 2019 to 31 August 2020 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 St John's Church of England Primary School Maidstone and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St John's Church of England Primary School Maidstone 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 St John's Church of England Primary School Maidstone and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St John's Church of England Primary School Maidstone's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St John's Church of England Primary School Maidstone's funding agreement with the Secretary of State for Education dated 1 November 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 St John's Church of England Primary School Maidstone for the year ended 31 August 2020 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:

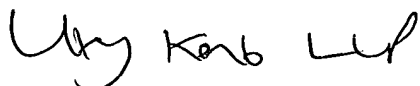
- an assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all 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.

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to St John's Church of England Primary School Maidstone 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 2019 to 31 August 2020 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: 16 December 2020

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	7,509	-	18,386	25,895	39,271
Funding for the Academy Trust's educational operations	4	12,659	1,870,285	-	1,882,944	1,738,853
Other trading activities	5	25,641	-	-	25,641	34,998
Investments	6	1,066	-	-	1,066	762
Total income		46,875	1,870,285	18,386	1,935,546	1,813,884
Expenditure on:						
Raising funds		775	-	-	775	1,540
Charitable activities	9	7,805	1,920,240	33,959	1,962,004	1,887,432
Total expenditure	8	8,580	1,920,240	33,959	1,962,779	1,888,972
Net income/(expenditure)		38,295	(49,955)	(15,573)	(27,233)	(75,088)
Transfers between funds	18	-	(6,484)	6,484	-	-
Net movement in funds before other recognised gains/(losses)		38,295	(56,439)	(9,089)	(27,233)	(75,088)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(175,000)	-	(175,000)	(130,000)
Net movement in funds		38,295	(231,439)	(9,089)	(202,233)	(205,088)
Reconciliation of funds:						
Total funds brought forward		217,476	(597,144)	114,429	(265,239)	(60,151)
Net movement in funds		38,295	(231,439)	(9,089)	(202,233)	(205,088)
Total funds carried forward	18	255,771	(828,583)	105,340	(467,472)	(265,239)

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

The notes on pages 22 to 43 form part of these financial statements.

St John's Church of England Primary School Maidstone
(A company limited by guarantee)
Registered number: 07807291

Balance Sheet
As at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	105,340	114,429
Current assets			
Debtors	16	35,372	37,733
Cash at bank and in hand		511,855	391,544
		<u>547,227</u>	<u>429,277</u>
Creditors: amounts falling due within one year	17	(155,039)	(143,945)
Net current assets		<u>392,188</u>	<u>285,332</u>
Net assets excluding pension liability		<u>497,528</u>	<u>399,761</u>
Defined benefit pension scheme liability	25	(965,000)	(665,000)
Total net assets		<u><u>(467,472)</u></u>	<u><u>(265,239)</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	105,340	114,429
Restricted income funds	18	136,417	67,856
		<u>241,757</u>	<u>182,285</u>
Restricted funds excluding pension liability	18	241,757	182,285
Pension reserve	18	(965,000)	(665,000)
Total restricted funds	18	<u>(723,243)</u>	<u>(482,715)</u>
Unrestricted income funds	18	255,771	217,476
Total funds		<u><u>(467,472)</u></u>	<u><u>(265,239)</u></u>

The financial statements on pages 19 to 43 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

A Parker-Bruce

A. Parker-Bruce
Chair of Trustees

D J D Smith

D. J. D Smith
Accounting Officer and Trustee

Date: 10 December 2020

The notes on pages 22 to 43 form part of these financial statements.

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	125,729	57,379
Cash flows from investing activities	21	(5,418)	25,587
Change in cash and cash equivalents in the year		120,311	82,966
Cash and cash equivalents at the beginning of the year		391,544	308,578
Cash and cash equivalents at the end of the year	22, 23	<u>511,855</u>	<u>391,544</u>

The notes on pages 22 to 43 form part of these financial statements

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

1. 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.

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

The Balance sheet shows a net liability position when including the Local Government Pension Scheme liability. The trustees note that, as stated in note 25, 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. The trust has revenue reserves of £392,188 across restricted and unrestricted funds, which is more than sufficient to meet operational needs and liabilities as they fall due, and the trustees have therefore concluded that the inclusion of the pension scheme liability does not affect their assessment of going concern.

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

St John's Church of England Primary School Maidstone
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

- **Grants payable**

These are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

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

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

1.6 Debtors

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

1.7 Cash at bank and in hand

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

1.8 Liabilities

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

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Notes to the Financial Statements
For the Year Ended 31 August 2020

1. Accounting policies (continued)

1.9 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.

The Academy operates from land and buildings which are owned by two separate freeholders. Part of the freehold is owned by KCC, and the remainder owned by the Diocese of Canterbury. The Academy occupies the property under the terms of a Church Supplemental Agreement with the freehold owners. In considering the accounting treatment for these properties the trustees have considered the provisions of the Academies Accounts Direction (AAD). The AAD has now clarified that where a Supplemental Agreement is in place then the trust does not have full rights or control such that any asset should not be recognised in the Balance Sheet.

Per the AAD the rolling right to occupy the building could be recognised in the financial statements via a notional donation (since it pays no actual rent) with a corresponding notional rental expense for the use of the premises. The value of the donation would be the amount that the Academy Trust would otherwise have had to pay to secure premises, however since the trustees feel that this cannot be reliably measured, and in accordance with the AAD, no donation or rental expense have been recognised.

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

Depreciation is provided on the following basis:

Furniture and equipment	-	10%
Computer equipment	-	20%

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

1.10 Financial instruments

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

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

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

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

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Notes to the Financial Statements
For the Year Ended 31 August 2020

1. Accounting policies (continued)

1.11 Pensions

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

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

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

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

1.12 Fund accounting

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

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

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

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

Notes to the Financial Statements
For the Year Ended 31 August 2020

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost 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 2020. 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.

There have been some specific issues which have been considered regarding the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) The "McCloud/Sargeant judgement". This 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. This was reflected in the prior year as a past service cost, within staff costs, and detailed in note 25, of £17,000.

On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. The consultation closed on 8 October 2020 and the final remedy will only be known after the consultation responses have been reviewed and a final set of remedial Regulations are published.

(2) Goodwin case. Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS.

Briefing notes provided by the actuary have indicated they expect the impact will be minimal for LGPS funds.

(3) Guaranteed Minimum Pension (GMP). On 22 January 2018, the Government published the outcome to its Indexation and equalisation of GMP in public service pension schemes consultation, concluding that the requirement for public service pension schemes to fully price protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 6 April 2021. HM Treasury published a Ministerial Direction on 4 December 2018 to implement this outcome, with effect from 6 April 2016.

Briefing notes provided by the actuary have indicated they do not expect to make any adjustments to the value placed on the liabilities as a result of the above outcome.

(4) Discount rates. There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced which has resulted in a higher value being placed on the defined benefit obligation. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

(5) Mortality assumptions. Details of the changes in mortality assumptions are shown in note 25. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions have been updated in line with those adopted for the Fund's 2019 actuarial valuation which anticipates a reduction in projected life expectancies. The lower life expectancy assumptions result in a lower value being placed on the defined benefit obligation. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

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Notes to the Financial Statements
For the Year Ended 31 August 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	7,509	9,470	16,979	15,611
Capital grants	-	8,916	8,916	23,660
	<u>7,509</u>	<u>18,386</u>	<u>25,895</u>	<u>39,271</u>
<i>Analysis of 2019 total by fund</i>	<u>10,530</u>	<u>28,741</u>	<u>39,271</u>	

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,482,400	1,482,400	1,315,121
Other DfE/ESFA grants	-	225,072	225,072	160,656
	<u>-</u>	<u>1,707,472</u>	<u>1,707,472</u>	<u>1,475,777</u>
Other government grants				
Local authority grants	-	162,813	162,813	211,762
	<u>-</u>	<u>162,813</u>	<u>162,813</u>	<u>211,762</u>
Other funding				
School trips	9,714	-	9,714	47,203
Other	2,945	-	2,945	4,111
	<u>12,659</u>	<u>1,870,285</u>	<u>1,882,944</u>	<u>1,738,853</u>
<i>Analysis of 2019 total by fund</i>	<u>51,314</u>	<u>1,687,539</u>	<u>1,738,853</u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	19,781	19,781	29,403
Insurance claims	5,000	5,000	3,998
Uniform sales	636	636	1,331
Fundraising	224	224	266
	<u>25,641</u>	<u>25,641</u>	<u>34,998</u>
<i>Analysis of 2019 total by fund</i>	<u>34,998</u>	<u>34,998</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	1,066	1,066	762
	<u>762</u>	<u>762</u>	
<i>Analysis of 2019 total by fund</i>	<u>762</u>	<u>762</u>	

7. Analysis of grants

	Grants to Institutions 2020 £	Total funds 2020 £	Total funds 2019 £
Improvements to diocesan property occupied by the Academy Trust	-	-	24,825
	<u>24,825</u>	<u>24,825</u>	
<i>Analysis of 2019 total by fund</i>	<u>24,825</u>	<u>24,825</u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2020

8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	775	775	1,540
Educational operations:					
Direct costs	1,281,419	-	86,783	1,368,202	1,295,736
Allocated support costs	356,434	93,313	144,055	593,802	566,871
	<u>1,637,853</u>	<u>93,313</u>	<u>231,613</u>	<u>1,962,779</u>	<u>1,864,147</u>
<i>Analysis of 2019 total</i>	<u>1,476,355</u>	<u>87,719</u>	<u>300,073</u>	<u>1,864,147</u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	7,805	1,954,199	1,962,004	1,887,432
<i>Analysis of 2019 total by fund</i>	<u>56,582</u>	<u>1,830,850</u>	<u>1,887,432</u>	

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Notes to the Financial Statements
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10. Analysis of expenditure by activities

	Direct costs 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	1,368,202	-	593,802	1,962,004	1,887,432
<i>Analysis of 2019 total</i>	<i>1,295,736</i>	<i>24,825</i>	<i>566,871</i>	<i>1,887,432</i>	

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	356,434	322,168
Premises costs	93,313	87,719
Technology costs	25,303	22,138
Other support costs	103,448	121,764
Governance costs	15,304	13,082
	593,802	566,871

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	2,301	2,301
Depreciation of tangible fixed assets	33,959	35,336
Loss on disposal of fixed assets	-	282
Fees paid to auditors for:		
- audit	7,300	7,130
- other services	2,810	3,025

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12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,168,639	1,087,246
Social security costs	88,558	82,156
Pension costs	380,656	301,966
	<u>1,637,853</u>	<u>1,471,368</u>
Agency staff costs	-	4,987
	<u><u>1,637,853</u></u>	<u><u>1,476,355</u></u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	18	18
Administration and support	47	40
Management	1	1
	<u>66</u>	<u>59</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	17	17
Administration and support	29	27
Management	1	1
	<u>47</u>	<u>45</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2020

12. Staff (continued)

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	-

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £184,619 (2019 - £214,566).

13. Trustees' remuneration and expenses

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

		2020 £	2019 £
Daniel Smith, Headteacher and Accounting Officer	Remuneration	60,000 - 65,000	55,000 - 60,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
Julia Finch	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
Heidi Downey	Remuneration	25,000 - 30,000	25,000 - 30,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £Nil).

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £75 (2019 - £129). The cost of this insurance is included in the total insurance cost.

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Notes to the Financial Statements
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15. Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 September 2019	214,493	97,220	311,713
Additions	-	24,870	24,870
At 31 August 2020	214,493	122,090	336,583
Depreciation			
At 1 September 2019	119,199	78,085	197,284
Charge for the year	21,371	12,588	33,959
At 31 August 2020	140,570	90,673	231,243
Net book value			
At 31 August 2020	73,923	31,417	105,340
At 31 August 2019	95,294	19,135	114,429

16. Debtors

	2020 £	2019 £
Trade debtors	-	1,770
Other debtors	5,663	5,962
Prepayments and accrued income	29,709	30,001
	35,372	37,733

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Notes to the Financial Statements
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17. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	26,352	23,146
Other taxation and social security	22,116	19,944
Other creditors	32,898	27,069
Accruals and deferred income	73,673	73,786
	<u>155,039</u>	<u>143,945</u>
	2020	2019
	£	£
Deferred income at 1 September 2019	55,365	42,195
Resources deferred during the year	53,014	55,365
Amounts released from previous periods	(55,365)	(42,195)
	<u>53,014</u>	<u>55,365</u>

At the balance sheet date the Academy Trust was holding funds received in advance of the 2020/21 academic year, including ESFA UIFSM and rates relief grants.

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Notes to the Financial Statements
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18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General fund	217,476	46,875	(8,580)	-	-	255,771
Restricted general funds						
General Annual Grant (GAG)	973	1,482,400	(1,458,902)	(6,484)	-	17,987
Other DfE/ESFA grants	66,883	222,714	(188,744)	-	-	100,853
Other government	-	165,171	(147,594)	-	-	17,577
Pension reserve	(665,000)	-	(125,000)	-	(175,000)	(965,000)
	(597,144)	1,870,285	(1,920,240)	(6,484)	(175,000)	(828,583)
Restricted fixed asset funds						
Fixed assets	114,429	-	(33,959)	24,870	-	105,340
DfE/ESFA capital	-	8,916	-	(8,916)	-	-
Other capital income	-	9,470	-	(9,470)	-	-
	114,429	18,386	(33,959)	6,484	-	105,340
Total Restricted funds	(482,715)	1,888,671	(1,954,199)	-	(175,000)	(723,243)
Total funds	(265,239)	1,935,546	(1,962,779)	-	(175,000)	(467,472)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy Trust.

The other DfE/ESFA grants fund is used to track non-GAG grants received from the ESFA, the DfE or other executive agencies of the DfE and includes Pupil Premium, Universal Infant Free School Meals, and Sports Premium grants.

The other government grants fund is used to track grants provided by government departments such as Local Authorities.

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

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. The transfer in of £6,484 represents capital expenditure met by restricted general funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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Notes to the Financial Statements
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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 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General fund	177,994	97,604	(58,122)	-	-	217,476
Restricted general funds						
General Annual Grant (GAG)	-	1,315,121	(1,338,973)	24,825	-	973
Other DfE/ESFA	42,726	160,657	(136,500)	-	-	66,883
Other government	-	211,761	(211,761)	-	-	-
Pension reserve	(427,000)	-	(108,000)	-	(130,000)	(665,000)
	<u>(384,274)</u>	<u>1,687,539</u>	<u>(1,795,234)</u>	<u>24,825</u>	<u>(130,000)</u>	<u>(597,144)</u>
Restricted fixed asset funds						
Fixed assets	146,129	-	(35,616)	3,916	-	114,429
ESFA capital	-	23,660	-	(23,660)	-	-
Other capital	-	5,081	-	(5,081)	-	-
	<u>146,129</u>	<u>28,741</u>	<u>(35,616)</u>	<u>(24,825)</u>	<u>-</u>	<u>114,429</u>
Total Restricted funds	<u>(238,145)</u>	<u>1,716,280</u>	<u>(1,830,850)</u>	<u>-</u>	<u>(130,000)</u>	<u>(482,715)</u>
Total funds	<u><u>(60,151)</u></u>	<u><u>1,813,884</u></u>	<u><u>(1,888,972)</u></u>	<u><u>-</u></u>	<u><u>(130,000)</u></u>	<u><u>(265,239)</u></u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	105,340	105,340
Current assets	255,771	291,456	-	547,227
Creditors due within one year	-	(155,039)	-	(155,039)
Provisions for liabilities and charges	-	(965,000)	-	(965,000)
Total	255,771	(828,583)	105,340	(467,472)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	114,429	114,429
Current assets	217,476	211,801	-	429,277
Creditors due within one year	-	(143,945)	-	(143,945)
Provisions for liabilities and charges	-	(665,000)	-	(665,000)
Total	217,476	(597,144)	114,429	(265,239)

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Notes to the Financial Statements
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20. Reconciliation of net expenditure to net cash flow from operating activities

	2020	2019
	£	£
Net expenditure for the period (as per Statement of financial activities)	(27,233)	(75,088)
Adjustments for:		
Depreciation	33,959	35,335
Capital grants from DfE and other capital income	(18,386)	(28,741)
Interest receivable	(1,066)	(762)
Defined benefit pension scheme cost less contributions payable	114,000	97,000
Defined benefit pension scheme finance cost	11,000	11,000
Decrease in stocks	-	1,068
Decrease in debtors	2,361	12,288
Increase in creditors	11,094	4,998
Loss on disposal of fixed assets	-	281
Net cash provided by operating activities	125,729	57,379

21. Cash flows from investing activities

	2020	2019
	£	£
Dividends, interest and rents from investments	1,066	762
Purchase of tangible fixed assets	(24,870)	(3,916)
Capital grants from DfE Group	8,916	23,660
Capital funding received from sponsors and others	9,470	5,081
Net cash (used in)/provided by investing activities	(5,418)	25,587

22. Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash in hand	511,855	391,544

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Notes to the Financial Statements
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23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	391,544	120,311	511,855

24. Contingent liabilities

The Trust has a contingent liability in respect of term time only workers' annual leave. During the year certain trades unions began looking at potentially making claims against Kent based education employers regarding the calculation of term time only workers' annual leave. This is on the back of settlements they have made in other local authorities for their members regarding changing the calculation and back pay.

Whilst the Academy Trust is free to set its own pay rates, in common with most academies it closely follows the local authority scales. The Kent County Council (KCC) 'Kent Scheme' Pay Scales were amended from 1 April 2020 following a change to the way leave for term time only staff is calculated and the Trust has followed by altering its own approach. KCC has received representations that there is a wish to make a settlement on back pay as the unions believe their members have been historically underpaid. KCC is resisting making any collective settlement and is encouraging individual employer schools and academies to do likewise.

The unions are attempting to bring the issue to their members and encouraging them to make a claim in the Employment Tribunal. If this is successful the trust may be liable. At the date of approval of these financial statements it is unclear (i) whether a back settlement liability may exist, (ii) if does how many years back this may go, and (iii) whether the liability or share of the liability would sit with KCC.

25. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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.

Contributions amounting to £28,959 were payable to the schemes at 31 August 2020 (2019 - £24,287) and are included within creditors.

Teachers' Pension Scheme

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

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

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25. Pension commitments (continued)

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.

The employer's pension costs paid to TPS in the year amounted to £161,182 (2019 - £108,321).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

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 2020 was £120,000 (2019 - £109,000), of which employer's contributions totalled £94,000 (2019 - £85,000) and employees' contributions totalled £ 26,000 (2019 - £24,000). The agreed contribution rates for future years for employers are 20%, moving to 21% from 1 April 2021 and then to 22.5% from 1 April 2022, and 5.5 to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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

	2020	2019
	%	%
Rate of increase in salaries	3.30	3.70
Rate of increase for pensions in payment/inflation	2.30	2.20
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (CPI)	2.30	2.20

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25. Pension commitments (continued)

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

	2020	2019
	Years	Years
Retiring today		
Males	21.8	22.1
Females	23.8	24.0
Retiring in 20 years		
Males	23.2	23.7
Females	25.2	25.8

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(47)	(33)
Discount rate -0.1%	48	33
Mortality assumption - 1 year increase	75	55
Mortality assumption - 1 year decrease	(72)	(53)
CPI rate +0.1%	45	30
CPI rate -0.1%	(44)	(30)

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

	2020	2019
	£	£
Equities	688,000	582,000
Gilts	7,000	6,000
Corporate bonds	137,000	77,000
Property	117,000	100,000
Cash and other liquid assets	32,000	23,000
Other	81,000	66,000
Total market value of assets	1,062,000	854,000

The actual return on scheme assets was £68,000 (2019 - £34,000).

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25. Pension commitments (continued)

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

	2020	2019
	£	£
Current service cost	(208,000)	(165,000)
Past service cost	-	(17,000)
Interest income	17,000	20,000
Interest cost	(28,000)	(31,000)
Total amount recognised in the Statement of Financial Activities	(219,000)	(193,000)

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

	2020	2019
	£	£
At 1 September	1,519,000	1,151,000
Current service cost	208,000	165,000
Interest cost	28,000	31,000
Employee contributions	26,000	24,000
Actuarial losses	263,000	144,000
Benefits paid	(17,000)	(13,000)
Past service costs	-	17,000
At 31 August	2,027,000	1,519,000

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

	2020	2019
	£	£
At 1 September	854,000	724,000
Interest income	17,000	20,000
Actuarial gains	88,000	14,000
Employer contributions	94,000	85,000
Employee contributions	26,000	24,000
Benefits paid	(17,000)	(13,000)
At 31 August	1,062,000	854,000

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26. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	1,284	1,747
Later than 1 year and not later than 5 years	-	1,014
	<u>1,284</u>	<u>2,761</u>

27. Members' liability

Each member of the Academy Trust 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 Trust 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 Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Other than trustees' remuneration paid under employment contracts, as disclosed in note 13, the related party transactions taking place during the year were as follows:

Expenditure (employment related) transaction

Mrs. Samantha Parker-Bruce, the wife of Mr. Andrew Parker-Bruce (Chair of Trustees), is an employee of the Trust. During the year she was paid a salary, under an employment contract, for her role. Mr. Andrew Parker-Bruce had no involvement in the appointment of Mrs. Samantha Parker-Bruce and the Trustees are comfortable that her salary provides value for money and is not at a preferential rate.

29. Controlling party

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