

COMPANY REGISTRATION NUMBER: 10084743 (England and Wales)

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

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TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31 AUGUST 2021

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TURNER SCHOOLS
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

Members

D Perrett	-until Jan 21
V Stock	-until Jan 21
E Pellumbi	-until Sep 20
M Alcock	
J Fingerhut	
A Oliver	
T Coultas-Pitman	-appointed 19.10.20
Dr A Sharman	-appointed 14.07.21

Trustees

	Appointment at Companies House	Resignation at Companies House
M Johal*		8.09.21
G Cottle*		
T Luke		
M Buchanan (Chair of the Strategic Board)		
Prof H James		
J Bushby*	- appointed 12.01.20	
S Murphy		
M Taylor*	- appointed 7.10.20	
T McCormack	- appointed 22.03.21	
L Turner	- appointed 01.02.21	
*members of the finance, audit and risk Committee		

Secretary

C Southern

Senior Management Team:

Chief Executive	S Murphy
Principal Turner Free School	K Yates (appointed 1.1.21)
Director of HR, Governance and Compliance	R Fuller
Director of Finance and Operations	D Bowles

Company Name

Turner Schools

Principal and Registered Office

Folkestone Academy, Academy Lane, Folkestone, Kent,
 England CT19 5FP

Registered Company Number

10084743 (England and Wales)

Independent Auditor

RSM UK Audit LLP
 Portland
 25 High Street
 Crawley
 West Sussex
 RH10 1BG

Bankers

Lloyds Bank Plc
 1st Floor, Threadneedle Street
 London, EC1M 6HR

Solicitors

Stone King
 Boundary House, 91 Charterhouse Street
 Clerkenwell, London, EC1M 6HR

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

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

The multi-academy trust operates five academy schools for pupils aged 2 to 19 within the town of Folkestone, Kent. The trust had 2,555 pupils on roll as at October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Turner Schools are also the directors of the charitable company for the purposes of company law. The charitable company operates as Turner Schools. The charitable company operates Folkestone Academy, Folkestone Primary, Martello Primary, Morehall Primary and Turner Free School.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Subject to the provisions of the Companies Act 2006, every trustee/director, officer or auditor of the trust shall be indemnified out of the assets of the trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the trust.

Method of Recruitment and Appointment or Election of Trustees

The trust's Articles of Association set out the constitution and method of appointment of the trustees. The number of trustees shall not be less than three, but shall not be subject to a maximum. The trust shall have the following trustees; up to nine trustees appointed by the members under Article 50, a minimum of two parent trustees appointed under Articles 53-56 in the event that no Local Governing Bodies are established or if no provision is made for at least two parent local governors on each Local Governing Body, and the CEO of the trust appointed under Article 57. The trust may also appoint Co-Opt trustees under Article 58.

An annual self review and skills audit identify any recruitment needs to ensure the Board of Trustees has the breadth of skills and knowledge necessary to advance the trust in all areas. Suitability of trustees is determined by their interest in the work of an Educational Charity, eligibility, expertise and skills. The Chair of Trustees or nominated Trustee meets with interested parties in the first instance. Potential candidates are invited to observe Trustees meetings.

Trustees seek to identify people who are willing to commit their time and skills for the advancement of the purposes of the trust, adding value to the leadership of the trust and ensuring good governance is secured. Members ratify appointments made under Article 50.

The term of office for any trustee shall be 4 years, save that this time limit shall not apply to any post which is held ex-officio. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected at a General Meeting.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Policies and Procedures Adopted for the Induction and Training of Trustees

There is an induction plan for new trustees and governors to best prepare them for their role. The Trust Governance and Compliance Officer updates Companies House and the Department of Education's Get Information About Schools in a timely manner. All members of Governance are expected to complete safeguarding training on appointment. All governors receive a 'Welcome to Governance' handbook from the National Governance Association to help prepare them for their new role. New Trustees review 'Academy Ambassadors: On Board'. A mentor is put in place for the first few months to support new governors.

Training needs are identified through an annual skills audit and self-review through the National Governance Association's 'Twenty-One Questions for Multi Academy Trusts'. Annual training includes needs identified in the skills analysis and self-review, safeguarding and the prevent duty.

Updates to the Governance and Academies Financial Handbooks are shared and links to these key documents are provided on appointment and are held within the governors shared drive for reference. The trust is a Gold member of NGA for training, conferences, guidance and best practice.

Organisational Structure

The structure is in line with requirements of the Governance Handbook and Articles.

The Trustees are the accountable body for the trust. The Trustees give their time freely and receive no remuneration or other financial benefits, other than the Trust Chief Executive who also serves as a Trustee.

Trustees' key responsibilities include:

- setting the vision, values and objectives
- approving the trust strategic plan and reviewing performance
- ensuring good financial health and probity
- making senior appointments
- holding the Chief Executive to account
- approving the Scheme of Delegation

The trust has delegated some decision making and has a clear scheme of delegation regarding the delegation of these decisions; this also details the decisions that have been delegated to management to ensure the day to day operational capacity of the trust. The trust, as a Multi-Academy Trust, has a Central Office to support its academies in relation to their business support and academic standards. The Trust Chief Executive is the Accounting Officer.

Trustees annually review the committee structure, Terms of Reference and membership to ensure continued effectiveness and appropriately qualified and experienced membership.

For 2020-21 Trustees merged the Trust Finance, Audit & Resources Committee and Risk and Remuneration Committee to form a Trust Finance, Audit and Risk Committee. The Scheme of Delegation and terms of Reference were revised to reflect the changes.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

The Trust Finance, Audit and Risk Committee -

- Ensure compliance with the Academy Trust Handbook
- Provide oversight on internal controls and monitor financial performance of the trust and ensure its money is well spent
- Ensure that risks are being addressed appropriately through internal scrutiny
- Advise the Board on the effectiveness of the trust's risk management, control and governance processes and any significant matters arising from audits

Challenge and Community committees meet to provide local governance. Key focus include –

- local point of consultation and review on matters such as policy, vision and strategy
- representing the views of the school and stakeholders to the trust (including pupils, staff and parents)
- be advocates for pupils and parents
- monitor the progress of key groups
- monitor key policies, such as safeguarding, for their effectiveness
- ensuring a broad and balanced curriculum

The Chief Executive Officer, Director of HR, Governance and Compliance, Director of Finance and Operations and Principals, supported by the wider central team, implement policies, guidelines and targets agreed by the Board, and report back to them on progress. The Chief Executive Officer is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The trust appoints teaching staff with reference to the Standard Teachers Pay and Conditions Document pay scales, and support staff with reference to the Kent Ranges via a bespoke Academy Range for non-teaching staff. Where these scales are not suitable, in the case of a minority of staff, the trust can appoint on spot salaries in accordance with benchmarked terms via information sharing with other equivalent trusts or to independent benchmarking evidence. Consideration for key management personnel by the trust board is done by using national benchmarks including school group sizes and cost per pupil data. We have also considered the rationale between executive pay and the average pay of teaching staff across the trust and other factors. We make sure that pay awards are closely linked to performance. Trustees consider executive pay in the context of wider leadership pay across our trust and the contribution this wider leadership make together.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Trade Union Facility Time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£369
Provide the total pay bill	£13,295,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.003%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	100%
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Streamline Energy and Carbon Reporting disclosures are included within the Strategic report on page 12.

Related Parties and other Connected Charities and Organisations

The trust applies the policies of 'at-cost' and full disclosure of any related-party transactions, which are summarised below. It is the trust's intention to keep any related-party transactions to a minimum unless they represent greater value for money than the alternative.

This financial year they consisted of £7,817 in consultancy and mentor fees paid to Jonathon Fingerhut who is a member of Turner Schools.

Engagement with employees (including disabled persons)

The trust CEO conducts a weekly briefing of key updates for staff on all matters concerning them and the trust. There is a shared drive of information where trust staff can access all available policies and key information in addition to a faculty handbook which is revised and shared with staff annually.

A bi-annual staff survey takes place across the trust as well as additional surveys regarding matters of concern to gain feedback and consult employee views. The Trust also conducts employee focus groups each term to consult with employee representatives on a wide range of key wellbeing, workload and communications issues. The trust pays into the local Trade Union facilities agreement and this provides opportunity to consult with employee representatives, as well as inclusion of representatives on matters concerning individuals' employment.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

The employee appraisal cycle takes place annually across the trust where performance objectives for individuals are linked to whole school and trust strategic objectives. This integrates individual and company performance and is reviewed at key points throughout the year to monitor progress. The trust also has a strategic plan and individual school development plans which are shared widely across the whole staff body.

Our recruitment policy clearly sets out the provision for disabled candidates and any adjustments that the trust will make. The trust is an equal opportunities employer and career progression and development opportunities are open to all staff equally. There is an occupational health provision and private healthcare provision in place to support staff who become disabled during the course of their employment in addition to individual health and safety risk assessment to ensure all reasonable adjustments are considered. The trust also supports staff via access to work funding for those individuals who require additional funded adjustments.

Engagement with suppliers, customers and others in a business relationship with the trust

There has been continuing development to improve the trust's supply chain. The aim is to increase the strength of the supply base by using 'preferred suppliers'. Consolidating the supply chain with a focus on best value can offer economies of scale. There have been internal and external efforts towards achieving this:

- A procurement officer that liaises with suppliers and ensures that best value is achieved and that our three quote policy on larger items of expenditure is adhered to
- Agreements with key suppliers that provide maximum discounts
- Moving to a new internal requisition system that provides a streamline process from requisition to goods received

Our finance policy also sets out clear guidance for trust staff in our engagement with suppliers, approved suppliers and suppliers that the trust will not engage with.

The trust has a robust procurement process and key supplier decisions are approved by both SLT and trustees. During the year the trust moved all 5 schools' management information systems to a new cloud based provider to improve functionality, security and reporting quality. The trust also moved from its out-sourced IT provision to an in-house service in order to improve the service to schools, by reacting quicker to emerging issues and better targeting resources of this vital service. This decision making process involved the centralised leadership team and professional advice from the Finance, Audit and Risk Committee. Our engagement with our beneficiaries and the wider community is covered elsewhere in this report, as part of the commentary on the achievements and performance of the trust in the year.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the charitable company is the operation of five schools – Folkestone Academy, Folkestone Primary, Martello Primary, Morehall Primary and Turner Free School, to provide education for pupils of all abilities between the ages of 2 and 19. The objects as specified in the trust's Articles of Association are as follows:

- (a) To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the Mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative education is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs (SEN) ("the Special Academies").

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

In accordance with the Articles of Association the charitable company has entered into a Funding Agreement with the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the schools, arrangements for pupils with SEN and disabilities and that the curriculum provided to pupils up to the age of 19 shall be broad and balanced.

Objectives, Strategies and Activities

The trust is committed to overcoming disadvantage and educational underperformance by running schools where children thrive and knowledge matters. We exist to add educational and social value:

Transforming children's futures

Working effectively in socially and economically challenging areas and having an unflinching focus on improving outcomes for the pupils we serve.

Empowering families

Working transparently and closely with families as joint partners, providing support so that our children are successful.

Strengthening communities

Expecting our academies to contribute strongly to their communities and society in general. Creating young citizens who can increasingly change society, including their community, for the better.

Our ambitions

Better outcomes for more children in challenging communities in the South East. By 2025 we want to serve over 5,000 pupils, based in the south east region and predominantly located in Kent. The trust will aim to serve communities that have significant challenges, but not be restricted to coastal areas.

A broader range of schools so that we can support as many children as possible. By 2025 we will have a balanced mix of primary and secondary schools, with up to 15 schools across the trust, including alternative and post 16 provision.

Stronger connections with employers, higher education and community organisations. By 2023 we will eliminate the number of children who leave school with no qualifications increasing their opportunities to gain high quality employment. We will work closely with national education partners, such as local universities and have strong links to regional and local employers. We will be in partnership with a variety of non-profit organisations, including but not limited to the creative sector.

Public Benefit

We have referred to the guidance in the Charity Commission general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that they have set. The main activity of the charitable company is the operation of the trust's schools and educational activity. The purpose is to provide education for pupils of different abilities with an emphasis on a cumulative knowledge-led curriculum, which enables all children to thrive.

In setting the schools' objectives and planning their activities the trustees have given careful consideration to the charity commission general guidance on public benefit.

The Board, and all staff, adhere to the Nolan Principles for Public Life and these are promoted across the organisation, including via the Faculty Handbook.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Progress towards the achievement of objectives is monitored at regular intervals. During the period the trust served 2,555 pupils, and expanded its operations with the increase of a year group at Turner Free School.

The leadership and management of the trust was found to be 'Good' during an inspection by Ofsted at Morehall Primary under Section 5 of the Education Act, and the school was found to be 'Good' in all areas. This was the first time in the school's history that Ofsted had judged it as 'Good' and not requires improvement, serious weaknesses or other category of concern. No other trust school was inspected by Ofsted during the period. Overall academic results improved across the trust in comparison with the previous year, although there was a dip in the performance of pupils in Folkestone primary due to the significant impact of Covid on staff and pupils.

Significant investment was made into each schools IT infrastructure and pupil devices to support the digital future of the trust and enable all pupils to access online homeworking through the google classrooms platform. The trust also continued to further invest in the premises and facilities of each school site, improving learning and working environments.

Key Performance Indicators	Period ending 31	Period ending 31
	August 2021	August 2020
Staff costs as a percentage of income from educational operations	74.04%	77.2%
Staff costs as a percentage of General Annual Grant income	91.17%	96.0%

Covid-19 had a significant impact upon absence in the reporting period and Covid cases have made it difficult to benchmark absence rates in line with the School Workforce Census as the information was not reportable in 2020/21.

Turner Schools is at the heart of the Folkestone community and is increasing engagement year on year to further strengthen our bond with the community. Continued efforts to work with the community has led to the employment of a Stakeholder and Community Engagement Lead whose role is solely to create strong and long lasting local partnerships.

During the reporting period direct contact with the community was hindered with several events having to be postponed or cancelled due to ongoing changes in Covid regulations, however the trust was still able to carry out a number of community based activities towards the end of the academic year. These have included:

Trust wide litter pick – 140 pupils from across all schools in the trust took part in a litter picking event.

Pupil outreach – Year 5 pupils from across the district were invited to take part in a range of sessions at both Folkestone Academy and Turner Free School.

Primary Olympics – Primary schools from across Folkestone took part in a district wide sports event led by the Folkestone Academy PE department.

Creative Arts Exhibition – A trust wide creative arts exhibition was held at Folkestone Academy. This included art, music and dance performances from pupils of all ages. The event was attended by nearly 650 people including families, Trustees/Governors and local community groups.

Martello Primary continues to partner as the host school for the Locavore Garden which supports local food providers and opens up opportunities for local young people and adults through growing and cooking foods. Partnerships such as this contributes to our green initiatives to reduce the trusts carbon footprint and improve the use of the local environment.

All of this work contributes towards efforts to match practicing levels of academic excellence and good governance with its growing reputation. Communicating partnerships, successes and organisational objectives with staff, student, parents and the local community ensures perception is not lagged behind the reality of the work as it happens.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENT AND PERFORMANCE – continued

Work to build Turner Free School started in 2019 and phase one of the construction is now complete and was transferred to the trust for use on 16 April 2021. The finished teaching block building boasts state-of-the-art engineering and technology facilities, new sporting facilities and a dedicated dining space to allow for 'family dining' for staff and pupils. The three-storey build also offers a lecture theatre to allow all pupils to learn in a 'university style' for some of their time at school and will be so important for our pupils in developing their learning. Further works saw the sports hall and car park improved, which was completed by the 28 October 2021.

FINANCIAL REVIEW

The majority of the trust's income is obtained from the Department for Education (DfE), via the Education and Skills Funding Agency, in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objects of the trust. The GAG received during the period 1 September 2020 to 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. At the end of the reporting period the trust had an in-year surplus in the restricted general fund, (excluding the pension reserve deficit of £11,446k) of £959k. In the unrestricted funds, the trust had an in-year surplus of £153k. The higher increase to the in-year surplus in the restricted general fund, was due to the recognition of additional income received in the year and cost savings materialising from activities not required due to the Covid pandemic.

The trust also receives grants and donations for fixed assets from the DfE. Such grants and donations totalling £20,116k in 2020/21 are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. On 16 April 2021 the DfE transferred the Turner Free School education block to the trust. Apportionment of the costs associated to the education block is based on costs supplied by the DfE and is treated as a fixed asset donation on transfer to the trust. The cost, which represents the fair value of the education block was £19,437k (see note 24), which has also been added to the fixed asset fund. The total restricted fixed asset fund at the balance sheet date was £58,322k.

In addition, the trust gratefully received charitable donations during the period of £46,021. Friends of Folkestone Academy provided £17,091 for projects specific to Folkestone Academy and £23,500 was provided by Sir Roger De Haan Charitable Trust. FareShare Kent and Family Food Bank provided £5,000 to purchase food parcels specific to Martello Primary families.

Expenditure for the period covered by this report was funded by the GAG received from the DfE and other income, such as voluntary income, activities for generating funds and investment income.

Going Concern

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. This can be evidenced through the financial information, including an 18 month cash flow forecast which is provided on a rolling monthly basis along with the monthly managements accounts and annual approved budgets which include loan repayments and capital expenditure. The Board of Trustees review the trust's strategic risk register and consider there to be no present risks that would significantly affect the trusts ability to continue operations. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the success of Turner Schools

The trust's strategic plans for schools and central services are presented to the board for challenge and approval. The effects of decisions made today are always considered and included in the long term future planning and included in the trust's risk register.

Turner Schools supports its staff in a number of ways ranging from staff career development to staff remunerations and benefits. The trust adopts the Teachers Union Pay scales to ensure staff are paid at competitive levels and also subscribes all staff to the Benenden Health Care Scheme.

TURNER SCHOOLS

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REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2021**

FINANCIAL REVIEW – continued

We pride ourselves on maintaining strong relationships with all of its stakeholders and ensures there is a healthy balance between ensuring value for money for the trust and maintaining strong supplier connections, this includes a quick turnaround for making payments to promote healthy cash flows for all suppliers. We take account of the impact of the trust's operations on the community and the environment and the need to act fairly between members of the company.

Reserves Policy

The trust aims to maintain a level of reserves sufficient to provide a buffer against future funding uncertainties and provide a fund for future fixed assets replenishment.

The Academy had a defined benefit pension fund liability of £11,446k as at 31 August 2021 (2020: £8,990k). The liability is included in restricted reserves as the trust will have to meet any long term liability out of restricted reserves. It should be noted however that this deficit will not crystallise in the foreseeable future and that the trust follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. This level of contributions has been taken into account when preparing the trust's budgets for the year ending 31 August 2022.

As at 31 August 2021, the trust had a balance of £870k of unrestricted funds which are considered to be the trust's free reserves (2020: £717k), a fixed asset fund of £58,322k (2020: £39,469k), general restricted funds of £1,089k (2020: £130k) and a pension deficit of £11,446k (2020: £8,990k). Total reserves were £48,835k (2020: £31,353k).

The trusts plan to increase its reserves was accelerated by the recognition of unbudgeted income and cost saving materialising from activities not required due to the Covid pandemic. In 2022/23 the trust plans to invest the additional reserves in improving school facilities to enhance the pupil experience, and provide additional funding to support the trusts pupil premium projects.

Investment Policy

The trust's policy is to invest surplus funds in low-risk short term bank deposits.

PRINCIPAL RISKS AND UNCERTAINTIES

Key risks for the trust are:

- High pupil mobility at Martello Primary, which undermines aggregated outcomes.
- Falling primary population in the region.
- The impact of coronavirus on the trust's ability to deliver education
- Funding challenges, and lack of future visibility on the same due to lack of clarity around teacher's pay.
- Brexit, given our proximity to the Port of Dover and Eurotunnel terminal.
- Recruitment to Folkestone Academy at KS3.
- Folkestone Academy fails to achieve a 'Good' judgement at next Ofsted inspection
- An external health and safety audit undertaken reported areas requiring significant improvement
- Negative press impacts reputation/pupil numbers

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 schools and their finances. The trust has taken significant steps to mitigate the impact of coronavirus on its' pupils and staff. A number of systems have been implemented to assess risks that the schools face, especially in the operational areas, and in relation to the control of finance. Systems are in place, including operational procedures and internal financial controls (see Statement on Internal Control) in order to minimise risk. Where significant financial risk remains trustees have ensured adequate insurance cover through the RPA and other policies.

The future financial and risk management objectives for the trust include:

- Operation following Brexit.
- Regular communication and planning in response to further information regarding Covid-19.
- Ensuring that the impact from the current tightening of funding and increased pension costs in the public sector is fully taken into consideration when decisions about future spending are taken.
- Ensuring appropriate student recruitment as the trust's positive work with pupils becomes known.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW – continued

- Ensuring that the staffing is appropriate in terms of remaining within Curriculum Led Financial Planning boundaries in the schools, and ensuring that the central functions are appropriately staffed to provide the best possible levels of service to the schools.
- Development of a joint Post 16 provision at Turner Free School and Folkestone Academy.
- Enhancing the trust school improvement models at secondary and primary.
- Future growth to sustain benefits of Multi Academy Trust scale.

FUNDRAISING

During the period covered by this report the trust's fundraising activities comprised of applications for grants plus local fundraising via school Parent, Teachers and Friends Associations. The trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by trustees.

Covid-19

The trust does not currently consider there to be any significant financial uncertainties or risk to going concern as a result of the known implications of the Covid-19 pandemic.

During the 2020/21 academic year, one school remained open during the lockdown period to support all Turner School's key workers and vulnerable children. The trust was able to do this due to the close proximity of all the schools. The trust managed to ensure that all families were able to access remote learning through loaned school devices and providing internet access. The trust built further on its 2019/20 launch of its google platform and continues to provide remote learning via google classrooms to support the roll out of the trust's digital future.

Pupil safety was our primary concern and our safeguarding teams within each school maintained regular contact with families identified as being vulnerable.

Government guidance on vulnerable people was followed closely and communicated to staff. In addition to the day to day line management support given to staff, strategic contact was maintained on a weekly basis via the CEO's trust wide weekly virtual communications.

The trust's 2021/22 budgets have factored a continued increase in cleaning hours and cleaning materials budget to ensure schools are Covid-19 safe.

The Catch up funding received was used to provide one to one and small group intervention sessions for pupils and for training and equipment to support in class teaching. Intervention was provided via four staffing strands. Existing teaching staff provided non term time and after school catch up sessions; directly employed catch up learning mentors and Intervention tutors and external tutoring accessed through the government led National Tutoring Programme scheme. Catch up funding was also used to fund materials and training for intervention, which focused on Maths and English, and IT equipment needed to deliver intervention session. Initial assessment shows that the catch up/recovery funding worked well in EYFS and KS1 to support early reading, in KS3 with pupils who were below age related expectations for reading and with tutoring for the most able at KS4.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW – continued

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 September 2020 to 31 August 2021	1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	3,044,324	2,370,535
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
Gas consumption	329.21	204.00
Owned transport – mini-buses	3.84	6.65
Total scope 1	333.05	210.64
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	288.72	286.78
<u>Scope 3 emissions in metric tonnes CO₂e</u>		
Business travel in employee owned vehicles	0.09	1.20
Total gross emissions in metric tonnes CO ₂ e	621.86	498.62
<u>Intensity ratio</u>		
Tonnes CO ₂ e per pupil	0.25	0.21
<p>Quantification and Reporting Methodology We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.</p> <p>Intensity measurement The ratio measure chosen is the total gross emissions in metric tonnes CO₂e per pupil. This is the recommended ratio for the sector.</p> <p>Measures taken to improve energy efficiency We have installed smart meters across all sites and have solar panels at Folkestone Academy and Martello. Since the Covid-19 pandemic the trust has increased the usage of video conferencing technology for staff/board meetings, to reduce the need for travel between sites.</p>		

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW – continued

PLANS FOR FUTURE PERIODS

The trust has a number of priorities for the next three years, these are set out in more detail in the trust Strategic Plan.

Pupils will have a strong start in their education, so that all children, especially those children who face additional barriers, will be ready for their next stage of education. We will dramatically increase the number of pupils leaving school with level 3 qualifications so that more pupils go to university and many more gain apprenticeships.

Turner Schools will be an employer of choice in the southeast region, with a teaching school and leadership centre. Staff retention rates will be much higher and staff absence rates much lower than in similar trusts. Teachers at all levels will be researchers, subject specialists and experts in their field. Our workforce will be engaged and motivated across all levels across the trust.

Leaders will choose to work and remain with us because we will have innovative approaches to our working arrangements, prioritising the wellbeing of our staff. Our schools will keep their own identity and characteristics. Schools will have autonomy to take risks and have the freedom to explore different approaches but will support and cooperate as we are one trust.

Turner schools will be the school of choice for the communities they serve. We will be regional leaders in our work with pupils who have additional barriers such as special educational needs and disabilities or have barriers linked to poverty.

The children we serve will understand what it means to be an active citizen, by participating in wider society and being part of something bigger than themselves.

Our central team will provide outstanding service to support an excellent school improvement strategy.

We will provide a curriculum that enables children to gain the knowledge, skills and understanding to help them be successful active citizens. It emphasises the central importance of proficient reading, writing and numeracy skills as well as a commitment to provide a rich range of subjects that pupils can study.

We will work in close collaboration with our local partners so that pupils, especially those who are from disadvantaged backgrounds, experience varied and exciting enrichment activities that raise pupils' aspirations of what they can achieve.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

During the period covered by this report neither the trust nor its trustees held any funds as a custodian trustee on behalf of any other charitable organisation.

AUDITOR

RSM UK Ltd has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The report of the trustees, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2021 and signed on the Board's behalf by:



Michael Buchanan
Chair of Trust Board
13 December 2021

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

Scope of Responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Turner Schools 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 Report of the Trustees and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. The Finance, Audit and Risk committee met three times during the year ended 31 August 2021. Attendance during this period at meetings of the Board of Trustees was as follows:

Trustee Meetings

	Meetings attended	Out of a possible
Member – AGM Meetings		
E Pellumbi (left 21.09.20)	0	0
D Perret (left 25.01.21)	0	0
V Stock (left 12.01.21)	0	0
A Oliver (appointed August 20)	1	1
J Fingerhut (appointed August 20)	1	1
M Alcock (appointed August 20)	1	1
T Coultas-Pitman (appointed October 20)	1	1
Dr A Sharman (appointed July 21)	0	0
Trustee – Board Meetings		
G Cottle (appointed 01.02.18)	2	6
M Johal (left 08.09.21)	3	6
T Luke (appointed 01.09.18)	6	6
M Buchanan (Chair, appointed 09.07.19)	6	6
J Bushby (appointed 30.10.19)	6	6
H James (appointed 09.07.19)	5	6
S Murphy (Accounting Officer, appointed 23.03.20)	6	6
T McCormack (appointed 22.03.21)	0	2
M Taylor (appointed 07.10.20)	4	4
L Turner (appointed 01.02.21)	2	3

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

The Academy Trust has three layers of governance: members who oversee the Academy Trust, trustees who are responsible for the overall strategic direction and control of the Academy Trust and local governors (Challenge and Community Committees). The trustees are the trustees of the charity. The trustees are the strategic and accountable Governing Board.

As Trustees we acknowledge that we have overall responsibility for ensuring the Trust has effective and appropriate systems of control, financial and otherwise. Trustees ensure compliance with its Articles and all relevant statutory guidance. We have reviewed and taken into account the DfE's Governance Handbook and Academies Financial Handbook.

Trustees use the services of external experts for validation of judgements where necessary and effectiveness is challenged further through self-evaluation.

A trust policy review schedule and process ensures the timely review and approval of policies.

Trust sub committees have clearly defined roles laid out in the Scheme of Delegation, responsibilities are laid out in the Terms of Reference.

Trust Finance, Audit and Risk Committee responsibilities include;

- Providing oversight on internal controls and monitoring financial performance of the trust and ensure its money is well spent
- Advising the Board on the effectiveness of the trust's risk management, control and governance processes and any significant matters arising from audits
- Monitoring strategic risk and ensure that risks are being addressed appropriately through internal scrutiny
- Recommending financial policies and budgets that support the mission, values, and strategic goals
- Ensuring compliance with the Academies Financial handbook
- Agreeing the Capital Development Plan and monitoring progress

Challenge and Community (local governors) responsibilities include;

- Are the trust's local point of consultation and review on matters such as policy, vision and strategy
- Represent the view of the school and stakeholders to the trust
- Be advocates for pupils and parents
- Monitoring progress of key groups
- Provide internal assurance
- Develop community links

Governance Reviews

This was the fourth full financial reporting period for the trust. The prior period ran from September 2019 to August 2020.

Trustees reviewed their effectiveness and trust SEF (self-evaluation) in September 2020. They agreed the Governance & Risk management self-evaluation was an insightful and accurate reflection at trust level and noted improvements to governance over the year. Trustees agreed that the detailed self-review provided a better framework to monitor and improve the quality and impact of governance and that quarterly and annual reviews would take place.

During the reporting period, the Finance, Audit and Risk Committee (FARC) sub-committee of the Trust Board contributed to oversight of the work of all schools in the trust. Membership of the Finance, Audit and Risk Committee consisted of a minimum of three members, The Accounting Officer and Director of Finance and Operations were in attendance. The Accounting Officer and the Director of Finance and Operations do not contribute to matters relating to audit.

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

GOVERNANCE REVIEWS - continued

This committee met 3 times in the year ended 31 August 2021. During this period attendance was as follows:

	Meetings attended	Out of a possible
G Cottle	2	3
M Johal (resigned 8.9.21)	2	3
M Taylor (appointed 13.09.21)	0	0
H Watchorn	2	3
J Bushby (Chair)	3	3

Review of Value for Money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data or by using framework where appropriate. The Accounting Officer for the trust has delivered improved value for money during the year by:

What we have achieved so far:

Turner Schools is about to turn four. The difficult early years of starting out, setting up systems from scratch and appointing leaders are now behind us. The initial vision to bring about sea change in the educational provision in Folkestone has now been well established. Standards have risen over the last four years across our academies and currently only one of the academies is not graded as 'good' but has rapidly improved over the last 18 months.

School improvement

The trust gives the highest priority to school improvement and has created a well respected central trust team that oversees all aspects such as HR, finance, governance, general administration as well as specialist experts in improving teaching and learning and leadership and management.

The schools also share central staff which facilitates greater savings by achieving economies of scale in for example procurement and staffing costs. The trust actively bids for additional funds, and is meticulous in checking entitlements thus ensuring that our schools receive the maximum funding available to ensure that we can raise standards and bridge the attainment and isolation gap.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Turner Schools for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The 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, Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

Internal Scrutiny

The trust has a programme of internal scrutiny delivered by external providers as appropriate, to provide independent assurance to the Board of Trustees that its financial and non-financial controls and risk management procedures are operating effectively.

The trust identifies on a risk-basis (with reference to its strategic risk register) the areas it will review each year, modifying its checks accordingly.

Internal scrutiny reviews focus on:

- evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes assessing whether procedures are designed effectively and efficiently, and checking whether agreed procedures have been followed.
- offering advice and insight to the trustees on how to address weaknesses in financial and non-financial controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the trust.
- ensuring all categories of risk are being adequately identified, reported and managed.

Independence in internal scrutiny is achieved by establishing appropriate reporting lines whereby those carrying out checks report directly to a Committee of the Board, which in turn provides assurance to the trustees.

During the academic year, the trust approved four external reviews in key areas which were reported to the trustees.

Non-financial - A health and safety audit was completed at all five schools by Willis Towers Watson the RPA risk management advisor. Overall schools reports received rating of either good, or best practice, however the health and safety policy and the ability to evidence all completed work had been certificated required improvement.

The areas of concern reported have been addressed with an updated policy which has been approved by Willis Towers Watson. As a result of the audit, the trust has moved away from a paper based process and invested in a cloud based facilities management system which schedules compliance checks and provides the ability to upload documents so that at any time senior management and trustees can review schools are fully compliant.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

Internal Scrutiny – continued

Non-financial – Prior to the launch of Folkestone Academy's 1-2-1 pupil Chromebook launch a full IT systems audit was conducted by a google focused external consultant. The focus was to assess the IT infrastructure resilience in terms of Google Classroom efficiency and effectiveness from a pupil and a teacher perspective of online classes, homework, marking and reporting. The audit was very positive giving the school and trustees assurance that the 1-2-1 device project can progress, it also provided immediate actions to improve functionality, safeguarding & security.

Non-financial – given the continuous changes of GDPR and the important of protecting personal data a review was conducted by external specialists in this area. The review was extremely positive with most areas scoring strongly, the trust has also implemented advice received to further best practice when procuring new software.

Financial – a new payroll system was implemented in April 2021. This replaced an outsourced provider and with staff costs forming up to 80% of expenditure per school, it was imperative that the new system was accurate and efficient. The audit confirmed the accuracy of the payroll and pension calculations, whilst also highlighting the need for contingency plans, should key personnel leave. A contingency plan has been put in place with the payroll software provider being able to step in and act as a broker in an emergency.

The Board have approved three areas for review in 2021/22 which include:

- HR system – a new HR system has been implemented with self-service functionality.
- Monthly financial procedures and reporting - a new finance system has been implemented.
- Safeguarding – check that schools have effective policies, protocols, procedures, and documentation in place.
- MIS – all 5 schools have a new MIS system, an audit to ensure maximum benefits are being realised.
- Asset management audit – an audit of all trust assets across all 5 schools is required to ensure security and accuracy of financial records

Review of Effectiveness

As Accounting Officer, the Chief Executive 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 professional advisors;
- the work of the external auditor;
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 13 December 2021 and signed on its behalf by:



Michael Buchanan
Chair of Trust Board



Mr Seamus Murphy
Chief Executive and Accounting Officer

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Turner Schools 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 2020.

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 2020.

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



Mr Seamus Murphy
Chief Executive and Accounting Officer
Date: 13 December 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees of Turner Schools (who are 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 in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education and Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on December 13, 2021 and signed on its behalf by:



Michael Buchanan
Chair of Trust Board

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TURNER SCHOOLS YEAR ENDING ON 31 AUGUST 2021**

Opinion

We have audited the financial statements of Turner Schools (the "charitable company") for the year ended 31 August 2021 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TURNER SCHOOLS YEAR ENDING ON 31 AUGUST 2021**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report³ included within the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 20, the trustees (who act as trustees for the charitable activities of the charitable company and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TURNER SCHOOLS YEAR ENDING ON 31 AUGUST 2021**

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academies Financial Handbook and Annual Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TURNER SCHOOLS YEAR ENDING ON 31 AUGUST 2021

Use of our report

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

RSM UK Audit LLP

ZOE LONGSTAFF-TYRRELL (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

Date: *16 December 2021*

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 AUGUST 2021

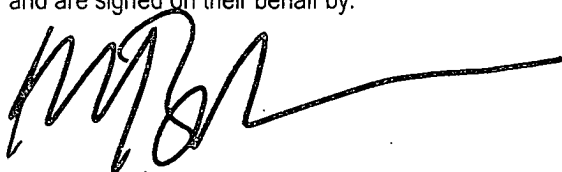
	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	31.08.21 Total Funds £'000	31.08.20 Total Funds £'000
Income and endowments from:						
Donations and capital grants	2	46	-	679	725	108
Free school teaching block	24	-	-	19,437	19,437	-
Charitable activities:						
Funding for the trust's educational operations	3	394	16,065	-	16,459	15,103
Other trading activities	4	16	-	-	16	42
Investments	5	-	-	-	-	1
Total income		456	16,065	20,116	36,637	15,254
Expenditure on:						
Charitable activities:						
Trust's educational operations	6	303	15,800	1,705	17,808	16,761
Total expenditure	7	303	15,800	1,705	17,808	16,761
Net income / (expenditure) for the year		153	265	18,411	18,829	(1,507)
Transfers between funds	19	-	(415)	415	-	-
		153	(150)	18,826	18,829	(1,507)
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	19 & 22	-	(1,347)	-	(1,347)	(352)
Net movement in funds		153	(1,497)	18,826	17,482	(1,859)
Reconciliation of funds (sub heading to add)						
Total funds brought forward	19	717	(8,860)	39,496	31,353	33,212
Net income/(expenditure) – carried forward		870	(10,357)	58,322	48,835	31,353

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED COMPANY NUMBER: 10084743

BALANCE SHEET
AS AT 31 AUGUST 2021

		31.08.21 £'000	31.08.21 £'000	31.08.20 £'000	31.08.20 £'000
	Notes				
Fixed assets					
Tangible assets	13		59,100		40,384
Current assets					
Stocks	14	2		8	
Debtors	15	717		691	
Cash at bank and in hand		2,315		1,566	
		<u>3,034</u>		<u>2,265</u>	
Current Liabilities					
Creditors: Amounts falling due within one year	16	1,184		1,527	
		<u>1,184</u>		<u>1,527</u>	
Net current assets			<u>1,850</u>		<u>738</u>
Total assets less current liabilities			60,950		41,122
Creditors					
Amounts falling due after more than one year	17		(669)		(779)
Net assets excluding pension liability			60,281		40,343
Pension scheme liability	22		(11,446)		(8,990)
Total net assets			<u>48,835</u>		<u>31,353</u>
Funds of the trust:					
Restricted funds					
Fixed asset funds	19	58,322		39,496	
General funds	19	1,089		130	
Pension reserve	19	(11,446)		(8,990)	
Total restricted funds			47,965		30,636
Unrestricted funds					
General funds	19	870		717	
Total unrestricted funds			<u>870</u>	<u>717</u>	<u>717</u>
Total funds			<u>48,835</u>		<u>31,353</u>

The financial statements on pages 25 to 51 were approved by the trustees, and authorised for issue on 13 December 2021 and are signed on their behalf by:



Michael Buchanan
Chair of Trust Board

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	31.08.21 £'000	31.08.20 £'000
Cash flows from operating activities			
Net cash provided/(used in) by operating activities	1	1,187	1,295
Cash flows from investing activities	2	(305)	(325)
Cash flows from financing activities	3	(133)	(214)
Change in cash and cash equivalents in the reporting period		<u>749</u>	<u>756</u>
Cash and cash equivalents at 1 September 2020		1,566	810
Cash and cash equivalents at 31 August 2021	4	<u>2,315</u>	<u>1,566</u>

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Reconciliation of net income to net cash flow from operating activities

	31.08.21	31.08.20
	£'000	£'000
Net income / (expenditure) income for the period (as per the Statement of Financial Activities)	18,829	(1,507)
Adjusted for:		
Depreciation charges (note 13)	1,705	1,493
Capital grants from DfE/ESFA and other capital income (note 2)	(679)	(82)
Interest received (note 5)	-	(1)
Fixed assets donations on transfer into trust (note 2 and note 19)	(19,437)	-
Defined benefit pension finance cost (note 22)	1,109	769
Decrease in stocks	6	-
(Increase)/Decrease in debtors	(26)	511
(Decrease)/Increase in creditors	(320)	112
Net cash provided by operating activities	1,187	1,295

2. Cash flows from investing activities

	31.08.21	31.08.20
	£'000	£'000
Dividends, interest and rents from investments	-	1
Purchase of tangible fixed assets	(984)	(408)
Capital grants from DfE/ESFA	679	82
Net cash used in investing activities	(305)	(325)

3. Cash flows from financing activities

	31.08.21	31.08.20
	£'000	£'000
Cash outflows for loan repayments	(133)	(214)
Net cash used in financing activities	(133)	(214)

4. Analysis of cash and cash equivalents

	31.08.21	31.08.20
	£'000	£'000
Cash in hand and at bank	2,315	1,566
Total cash and cash equivalents	2,315	1,566

5. Analysis of changes in net debt

	At 1 September 2020 £,000	Cash flows £,000	Other non-cash changes £,000	At 31 August 2021 £,000
Cash	1,566	749	-	2,315
Loans falling due within one year	(133)	133	(110)	(110)
Loans falling due after more than one year	(779)	-	110	(669)
Total	654	882	-	1,536

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

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

Basis of preparation

The financial statements of the trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency, the Charities Act 2011 and the Companies Act 2006.

Turner Schools meets the definition of a public benefit entity under FRS102. The trust presents its results rounded to the nearest thousand pound sterling.

Going concern

The trustees have considered whether it is appropriate to prepare the financial statements on the basis that the Academy Trust is a going concern, including the impact of the Covid-19 (Coronavirus) outbreak on that assessment. Confirmed funding, the cash flow forecast and the trust's four year budget forecast support this basis. The trust is funded by the ESFA and the amount of funding for the financial year 2021/22 is known and guaranteed. The trust has submitted its record of students on the enumeration date of 1 October 2021, and so expects that the funding for the year to 31 August 2023 will be in excess of the previous year. The trustees believe that the charity has sufficient funds to continue its activities for at least twelve months from the date of signing the financial statements and that there are no material uncertainties impacting on that assessment.

As at 31 August 2021 the trust held cash reserves of £2,315k.

Income

All incoming resources are recognised when the 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 period 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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED AUGUST 2021

1. ACCOUNTING POLICIES – continued

• **Donations**

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

• **Other income**

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

• **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

• **Donated fixed assets (excluding transfers on conversion/into the trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's accounting policies.

Expenditure

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

• **Expenditure on raising funds**

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

All resources expended are inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES – continued

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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold 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 economic life, as follows:

Leasehold land	- 0%
Buildings	- 2%
Building Maintenance	- 5% - 20%
Furniture and equipment	- 10% - 20%
Computer equipment	- 25%
Motor vehicles	- 20%

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

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

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 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.

Provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES – continued

Leased Assets

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

Financial Instruments

The trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Stock

Unsold uniform stock is valued at the lower of cost and net realisable value.

Taxation

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

Pensions Benefits

Retirement benefits to employees of the 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 to spread the cost of pensions over employees' working lives with the 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 based on 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 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 net income/(expenditure) are the current service costs and the costs of the 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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES – continued

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education and Skills Funding Agency and the local authority.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 25.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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 disclosed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The net book value of leasehold property, included within fixed assets, is based on assumptions in relation to the useful life of property and the residual value of the assets. The element of leasehold property which relates to land is deemed to have a finite life of 125 years and is depreciated accordingly. The element of leasehold property which does not relate to land is depreciated on a straight line basis of 50 years, being the estimated useful economic life and it is assumed that the asset has no residual value on the basis of its specialised nature. Any changes in these assumptions will have an impact on the carrying amount of fixed assets.

Critical areas of judgement

The trustees do not consider there to be any critical areas of judgement, other than those relating to estimation above, which have a significant effect on the amounts recognised in the financial statements.

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	31.08.21 Total Funds £'000	31.08.20 Total Funds £'000
Capital grants	-	679	679	82
Donated fixed assets	-	19,437	19,437	-
Other donations	46	-	46	26
	<u>46</u>	<u>20,116</u>	<u>20,162</u>	<u>108</u>

3. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	31.08.21 Total Funds £'000	31.08.20* Total Funds £'000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	13,367	13,367	12,151
Other DfE / ESFA grants				
UIFSM	-	75	75	92
Pupil Premium	-	964	964	901
PE and Sports Grant	-	39	39	55
Rates Reclaim	-	133	133	145
Teachers' Pay Grant	-	168	168	157
Teachers' Pension Grant Others	-	465	465	458
Other DfE Group Grants	-	60	60	141
	<u>-</u>	<u>15,271</u>	<u>15,271</u>	<u>14,100</u>
Other government grants				
Local authority grants	-	534	534	553
Other income from the academy trust's educational operations	<u>360</u>	<u>47</u>	<u>407</u>	<u>419</u>
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	147	147	-
Other (DfE/ESFA) COVID-19 funding	-	66	100	31
COVID-19 additional funding (non-DfE/ESFA)				
Other COVID-19 funding	<u>34</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>394</u>	<u>16,065</u>	<u>16,459</u>	<u>15,103</u>

*Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and the Education Skills and Funding Agency, the trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified. The trust received £186k of funding for catch-up premium and costs incurred in respect of this funding totalled £147k, with the remaining £39k to be spent in 2021/22. Other restricted COVID related funding included £39k Summer School, £15k 16-19 tuition fund, £11k National Tutoring Program and £34k mass testing which has been recognised within unrestricted funds.

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	31.08.21 Total Funds £'000	31.08.20 Total Funds £'000
Hire of facilities	-	-	-	15
Other income	16	-	16	27
	<u>16</u>	<u>-</u>	<u>16</u>	<u>42</u>

5. INVESTMENTS INCOME

	Unrestricted Funds £	Restricted Funds £	31.08.21 Total Funds £'000	31.08.20 Total Funds £'000
Deposit account interest	-	-	-	1

6. EXPENDITURE

	Staff Costs £'000	Premises Costs £'000	Other Costs £'000	31.08.21 Total £'000	31.08.20 Total £'000
Charitable activities					
<i>Academy's educational operations</i>					
Direct costs	10,010	-	857	10,867	10,439
Allocated support costs	3,286	867	2,788	6,941	6,322
	<u>13,296</u>	<u>867</u>	<u>3,645</u>	<u>17,808</u>	<u>16,761</u>

Net income / (expenditure) for the period includes:

	31.08.21 £'000	31.08.20 £'000
Operating lease rentals	31	44
Depreciation	1,705	1,493
Auditor's remuneration	21	22
Auditor's remuneration for non-audit work	2	2
Interest on ESFA loan	11	11

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED AUGUST 2021

7. CHARITABLE ACTIVITIES – TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	31.08.21 Total £'000	31.08.20 Total £'000
Direct costs				
Direct costs – educational operations	146	10,720	10,866	10,439
Support costs – educational operations	157	6,785	6,942	6,322
	<u>303</u>	<u>17,505</u>	<u>17,808</u>	<u>16,761</u>
Allocated support costs				
Support staff costs	96	3,045	3,141	2,774
Depreciation	-	1,705	1,705	1,493
Technology costs	-	390	390	312
Maintenance of premises and equipment	29	343	372	323
Rent, rates and water	-	177	177	232
Energy costs	-	260	260	255
Insurance	-	58	58	60
Bank interest and charges	-	16	16	16
Governance costs	-	23	23	24
Professional services	-	117	117	71
Defined benefit pension net interest cost	-	145	145	149
Other support costs	32	506	538	613
	<u>157</u>	<u>6,785</u>	<u>6,942</u>	<u>6,322</u>

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000	
		Amount £	Reason
Gifts made by the academy trust	£226.90	Nil	Not applicable

TURNER SCHOOLS
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED AUGUST 2021

8. STAFF

a) Staff costs

Staff costs during the year were:

	31.08.21 £'000	31.08.20 £'000
Wages and salaries	8,898	8,399
Social security costs	858	808
Pension Costs	2,983	2,563
	<u>12,739</u>	<u>11,770</u>
Supply teacher costs	433	567
Staff restructuring costs	124	95
	<u>13,296</u>	<u>12,432</u>

Staff restructuring costs comprise:

Redundancy payments	67	33
Severance payments	57	62
	<u>124</u>	<u>95</u>

b) Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £56,964 (2020: £62,659). Individually, the payments were: £4,254, £8,462, £19,478 and £24,770.

c) Staff numbers

The average number of persons (including senior management team) employed by the trust during the year expressed as head count and full time equivalents was as follows:

	31.08.21		31.08.20	
Charitable activities	Head count	FTE	Head count	FTE
Teachers and educational support	285	222	232	200
Administration and support	94	88	80	66
Management	10	9	10	8
	<u>389</u>	<u>319</u>	<u>322</u>	<u>274</u>

d) Higher paid staff

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

	31.08.21	31.08.20
£60,000 - £70,000	7	4
£70,001 - £80,000	3	4
£80,001 - £90,000	0	2
£90,001 - £100,000	1	0
£100,001 - £110,000	0	1
£110,001 - £120,000	0	0
£120,001 - £130,000	1	1
£140,001 - £150,000	0	0
	<u>12</u>	<u>12</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED AUGUST 2021

e) Key management personnel

The key management personnel of the trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the trust was £470,449. (2020: £430,847). The preceding year has been restated to include personnel that were listed on page 1 of the August 2020 accounts. The amount included was £884,748, which included the Heads of Schools and the Financial Controller's total employee personnel benefits.

9. CENTRAL SERVICES

The trust has provided central services in the form of strategic and operational management, legal and professional support services (including educational support and fundraising) to its academies during the period.

The trust withholds between 4% and 5.5% of funds depending on the circumstances of each Academy. This is approved and reviewed at Board level.

The actual amounts charged during the period were as follows:

	31.08.21 £'000	31.08.20 £'000
Morehall Primary	47	41
Martello Primary	46	43
Folkestone Academy	473	478
Folkestone Primary	108	85
Turner Free School	155	97
	<hr/> 829	<hr/> 744

10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from employment with the trust. The Chief Executive Officer and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of staff members under their contracts of employment. Other trustees did not receive any payments from the trust, including expenses, in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

The value of trustees' remuneration and other benefits was as follows:

Mr S Murphy	Chief Executive and trustee
	Remuneration - £125,000 (2020: £55,301 from 23 March 2020)
	Employer's pension contributions - £29,600 (2020: £13,095)

During the period ended 31 August 2021, travel and subsistence expenses totalling £0 (2020 £206). Other related party transactions involving the trustees are set out in note 23.

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2021 was £46,748 (2020: £46,661). The cost of this insurance is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	31.8.20 Total Funds £'000
Income from:					
Donations and capital grants	2	26	-	82	108
<i>Charitable activities:</i>					
Funding for the trust's educational operations	3	400	14,703	-	15,103
Other trading activities	4	42	-	-	42
Investments	5	1	-	-	1
Total income		<u>469</u>	<u>14,703</u>	<u>82</u>	<u>15,254</u>
Expenditure on:					
<i>Charitable activities:</i>					
Trust's educational operations	6	364	14,904	1,493	16,761
Total expenditure	7	<u>364</u>	<u>14,904</u>	<u>1,493</u>	<u>16,761</u>
Net income / (expenditure)		105	(201)	(1,411)	(1,507)
Transfer between funds		-	(438)	438	-
Other recognised gains and losses					
Actuarial (losses) gains on defined benefit pension schemes	19 & 23	-	(352)	-	(352)
Net movement in funds		<u>105</u>	<u>(991)</u>	<u>(973)</u>	<u>(1,859)</u>
Total funds brought forward	19	<u>612</u>	<u>(7,869)</u>	<u>40,469</u>	<u>33,212</u>
Total funds carried forward		<u>717</u>	<u>(8,860)</u>	<u>39,496</u>	<u>31,353</u>

TURNER SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

13. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Leasehold land and buildings	Furniture and equipment	Computer equipment	Motor vehicles	Totals
	£'000	£'000	£'000	£'000	£'000	£'000
COST						
At 1 September 2020	35,786	6,400	937	1,037	6	44,166
Additions	54	-	67	835	28	984
Acquisitions	19,437	-	-	-	-	19,437
At 31 August 2021	<u>55,277</u>	<u>6,400</u>	<u>1,004</u>	<u>1,872</u>	<u>34</u>	<u>64,587</u>
DEPRECIATION						
At 1 September 2020	2,308	569	374	525	6	3,782
Charge for year	1,053	198	154	299	1	1,705
At 31 August 2021	<u>3,361</u>	<u>767</u>	<u>528</u>	<u>824</u>	<u>7</u>	<u>5,487</u>
NET BOOK VALUE						
At 31 August 2020	<u>33,478</u>	<u>5,831</u>	<u>563</u>	<u>512</u>	<u>-</u>	<u>40,384</u>
At 31 August 2021	<u>51,916</u>	<u>5,633</u>	<u>476</u>	<u>1,048</u>	<u>27</u>	<u>59,100</u>

The trust's transactions relating to land and buildings included the acquisition of the freehold on Turner Free School teaching block, transferred from the DfE on completion of its construction for nil consideration. It has been recognised at its fair value of £19,437k (see note 24).

TURNER SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

14. STOCKS	31.08.21	31.08.20
	£'000	£'000
Uniforms	2	8
15. DEBTORS	31.08.21	31.08.20
	£'000	£'000
Trade debtors	2	3
VAT recoverable	137	89
Prepayments and accrued income	566	572
Other debtors	12	27
	<u>717</u>	<u>691</u>
16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.08.21	31.08.20
	£'000	£'000
Loans	110	110
ESFA Advance	-	23
Trade creditors	655	589
Other taxation and social security	-	192
Defined benefit pension scheme	-	209
Other creditors	30	30
Accruals and deferred income (deferred income - note 18)	389	374
	<u>1,184</u>	<u>1,527</u>
17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	31.08.21	31.08.20
	£'000	£'000
Loans	669	779
	<u>669</u>	<u>779</u>

The loans and advances from the ESFA/advance and are provided on the following terms:

	Original loan	Duration	Term remaining	Due < 1 year	Due > 1 year
	£'000			£'000	£'000
ESFA	1,100	10 years	7 years	110	669
Total				<u>110</u>	<u>669</u>

The interest rate on the loan is fixed at a rate of 1.85%.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

18. DEFERRED INCOME

	31.08.21	31.08.20
	£'000	£'000
Deferred income at 1 September 20	146	139
Resources deferred in the year	219	146
Amounts released from previous years	(146)	(139)
Deferred income at 31 August 21	<u>219</u>	<u>146</u>

Deferred income at 31 August 2021 represents rates relief income of £66,070 (2020: £66,764); Universal Infant Free School Meal income of £43,831 (2020: £54,335); School Games Organiser funding received for the period Sep21 to Oct 21 of £4,000; Duke of Edinburgh grant received for 21/22 of £3,375; ESFA Covid Catch-up funding received of £39,423; KCC Opening Schools Facilities grant received of £18,635; Unspent PE and Sports Premium of £15,689; KCC EYFE for the autumn term of £24,654; MoD Combined Cadet Force grant received of £1,166 and The National Centre for Computing Education – STEM grant received of £1,700. All deferred funds have been received in advance and either relate to the period 1 September 2021 to 31 August 2022 or due to specific ESFA guidance, unspent Covid Catch-up funding and PE and Sports premium can be deferred.

19. FUNDS

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, Losses and Transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	-	13,367	(12,013)	(415)	939
UIFSM	-	75	(75)	-	-
Pupil Premium	130	964	(944)	-	150
Catch-up Premium	-	147	(147)	-	-
Other DfE/ESFA COVID-19 funding	-	66	(66)	-	-
Other DfE/ESFA grants	-	865	(865)	-	-
Other government grants	-	534	(534)	-	-
Other restricted funding	-	47	(47)	-	-
Pension reserve	(8,990)	-	(1,109)	(1,347)	(11,446)
	<u>(8,860)</u>	<u>16,065</u>	<u>(15,800)</u>	<u>(1,762)</u>	<u>(10,357)</u>
Restricted fixed asset funds					
Assets	39,496	20,116	(1,705)	415	58,322
	<u>39,496</u>	<u>20,116</u>	<u>(1,705)</u>	<u>415</u>	<u>58,322</u>
Total restricted funds	<u>30,636</u>	<u>36,181</u>	<u>(17,505)</u>	<u>(1,347)</u>	<u>47,965</u>
Unrestricted funds					
Unrestricted funds	717	456	(303)	-	870
Total unrestricted funds	<u>717</u>	<u>456</u>	<u>(303)</u>	<u>-</u>	<u>870</u>
Total funds	<u>31,353</u>	<u>36,637</u>	<u>(17,808)</u>	<u>(1,347)</u>	<u>48,835</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

19. FUNDS – continued

The academy trust is not subject to GAG carried forward limits.

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

General Annual Grant (GAG)

Funds must be used for the normal running costs of the trust. Under the master funding agreement with the Secretary of State, the trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2021.

Other restricted general funds

Funding is provided by government grants in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities.

Restricted fixed asset funds

Funding is provided by way of government grants or capital expenditure from the GAG or unrestricted funds in order to acquire specified fixed assets for use by the trust in achieving its educational objectives.

Unrestricted funds

Unrestricted funds can be used for any purpose at the discretion of the trust.

Transfers

A transfer of £415,000 was made in the period from GAG funds in the restricted general funds to the restricted fixed asset capital funds. This transfer brings the restricted fixed asset and capital funds in line with long term loan repayments due which were used to purchase major fixed asset expenditure. (2020: £438,000 restricted general funds).

TURNER SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

19. FUNDS – continued

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, Losses and Transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	-	12,151	(11,713)	(438)	-
Other government grants	-	1,980	(1,850)	-	130
Other DfE/ESFA grants	-	553	(553)	-	-
Other restricted funding	-	19	(19)	-	-
Pension reserve	(7,869)	-	(769)	(352)	(8,990)
	<u>(7,869)</u>	<u>14,703</u>	<u>(14,904)</u>	<u>(790)</u>	<u>(8,860)</u>
Restricted fixed asset funds					
Assets	40,469	82	(1,493)	438	39,496
	<u>40,469</u>	<u>82</u>	<u>(1,493)</u>	<u>438</u>	<u>39,496</u>
Total restricted funds	<u>32,600</u>	<u>14,785</u>	<u>(16,397)</u>	<u>(352)</u>	<u>30,636</u>
Unrestricted funds					
Unrestricted funds	612	469	(364)	-	717
Total unrestricted funds	<u>612</u>	<u>469</u>	<u>(364)</u>	<u>-</u>	<u>717</u>
Total funds	<u>33,212</u>	<u>15,254</u>	<u>(16,761)</u>	<u>(352)</u>	<u>31,353</u>

TURNER SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED AUGUST 2021

19. FUNDS – continued

Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	2021 £'000	2020 £'000
Martello Primary	395	269
Morehall Primary	(195)	(164)
Folkestone Primary	190	-
Folkestone Academy	499	25
Turner Free School	452	101
Turner Schools MAT	618	616
Total before fixed assets and pension reserve	1,959	847
Restricted fixed asset fund	58,322	39,496
Pension reserve	(11,446)	(8,990)
Total	48,835	31,353

Morehall Primary school is carrying a deficit of £195K (2020 £164K) on these funds because there was an 2018/2019, 2019/2020 strategic school improvement plan which resulted in a 'Good' Ofsted rating. The school has a £32k 2021/2022 surplus budget to start to reverse the negative reserves balance.

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Depreciation) £'000	Total £'000
Martello Primary	738	104	34	138	1,014
Morehall Primary	680	105	45	148	978
Folkestone Academy	4,946	1,013	511	1,015	7,485
Folkestone Primary	1,509	257	92	228	2,086
Turner Free School	1,848	305	142	295	2,590
Turner Schools MAT	289	1,502	33	126	1,950
	10,010	3,286	857	1,950	16,103

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Depreciation) £'000	Total £'000
Martello Primary	609	126	44	85	864
Morehall Primary	745	117	23	98	983
Folkestone Academy	6,755	1,385	726	1,231	10,097
Turner Free School	1,219	232	97	216	1,764
Turner Schools MAT	181	1,063	39	277	1,560
	9,509	2,923	929	1,907	15,268

TURNER SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED AUGUST 2021

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	59,100	59,100
Current assets	870	2,164	-	3,034
Current liabilities	-	(1,075)	(109)	(1,184)
Non-current liabilities	-	-	(669)	(669)
Pension scheme liability	-	(11,446)	-	(11,446)
Total net assets	870	(10,357)	58,322	48,835

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

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	40,384	40,384
Current assets	717	1,548	-	2,265
Current liabilities	-	(1,418)	(109)	(1,527)
Non-current liabilities	-	-	(779)	(779)
Pension scheme liability	-	(8,990)	-	(8,990)
Total net assets	717	(8,860)	39,496	31,353

Operating Leases

At the reporting end date the trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	31,454	30,854

21. MEMBERS LIABILITY

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

22. PENSION AND SIMILAR OBLIGATIONS

The 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 pension costs are assessed in accordance with the advice of independent qualified actuaries. 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 £0 (2020 £208,705) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- 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 period amounted to £1,302,616 (2020: £1,224,307).

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

22. PENSION AND SIMILAR OBLIGATIONS – continued

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The 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 period ended 31 August 2021 was £743,094 (2020: £732,288), of which employer's contributions totalled £568,318 (2020: £571,450) and employees' contributions totalled £174,776 (2020: £160,839). The agreed contribution rates for future years are 21% from April 2021, rising to 22.5% from April 2022 for employers and between 5.5 per cent and 12.5 per cent for employees.

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

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2021 by a qualified independent actuary.

Principal actuarial assumptions

	31.08.21	31.08.20
Discount rate	1.65%	1.6%
Price increases	2.90%	2.25%
Future salary increases	3.90%	3.25%
Future pension increases	2.90%	2.25%
Commutation of pension to lump sums	50.0%	50.0%

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

	31.08.21	31.08.20
Retiring today		
Males	21.6	21.8
Females	23.6	23.8
Retiring in 20 years		
Males	22.9	23.2
Females	25.1	25.2

Sensitivity analysis

Change in assumptions:	Increase in obligation at 31 August 2021 £,000	Increase in obligation at 31 August 2020 £,000
0.1% decrease in real discount rate	1,836	1,392
1 year increase in member life expectancy	1,847	1,394
0.1% increase in the salary increase rate	1,772	1,347
0.1% increase in the pension increase rate	1,835	1,391

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED AUGUST 2021

22. PENSION AND SIMILAR OBLIGATIONS - continued

Local Government Pension Scheme - continued

The trust's share of the assets and the liabilities in the scheme were:

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	7,141	5,868
Gilts	61	61
Other bonds	1,514	1,170
Property	1,121	995
Cash/liquidity	312	276
Absolute Return Fund	759	690
Total market value of assets	10,908	9,060
Present value of scheme liabilities		
- Funded	(22,354)	(18,050)
Deficit in the scheme	(11,446)	(8,990)

The actual return on the fund assets for the period to 31 August 2021 is £1,337,000 (2020: £684,000).

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

	31.08.21 £'000	31.08.20 £'000
Current service cost (net of employee contributions)	(1,465)	(1,196)
Past service cost	(60)	-
Interest income	149	175
Interest cost	(288)	(319)
Administration expense	(6)	(5)
Total operating charge	(1,670)	(1,345)
Recognised in other gains / losses:		
Re-measurement (losses) / gains	(1,347)	(352)
Total gain / (cost) recognised	(3,017)	(1,697)

The actuarial re-measurements for the current year are recognised in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

22. PENSION AND SIMILAR OBLIGATIONS - continued

Local Government Pension Scheme – continued

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

	31.08.21 £'000	31.08.20 £'000
Opening defined benefit obligation	18,050	16,791
Current service cost	1,465	1,196
Employee contributions	175	160
Interest cost	288	319
Past service cost	60	-
Estimated benefits paid net of transfers in	(219)	(144)
(Gains)/losses on changes in financial assumptions	3,136	1,684
Change in demographic assumptions	(228)	(478)
Experience loss/(gain) on defined benefit obligation	(373)	(1,478)
	<u>22,354</u>	<u>18,050</u>

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

	31.08.21 £'000	31.08.20 £'000
Opening fair value of scheme assets	9,060	8,922
Employer contributions	561	576
Employee contributions	175	160
Interest on plan assets	149	175
Estimated benefits paid plus unfunded net of transfers in	(219)	(144)
Administration expenses	(6)	(5)
Return on plan assets (excluding net interest on the net defined benefit liability)	1,188	509
Other actuarial gains/(losses)	-	(1,133)
	<u>10,908</u>	<u>9,060</u>

23. RELATED PARTY TRANSACTIONS

All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Fingerhut Consulting – a company in which Jonathan Fingerhut (a member) has a majority interest. Fingerhut Consulting provided staff mentoring and training to key management personnel in the reporting period. The total cost to the trust for the service provided was £7,817.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021

24. ACQUISITION

On 16 April 2021 the Department for Education transferred the Turner Free School on completion of construction, new teaching block building to Turner Schools for £nil consideration.

The substance of the transfer is that of a gift and it has been accounted for on that basis. The asset transfer was valued at the cost to build value of £19,437k and recognised in the balance sheet as an addition to fixed assets with a corresponding donation recognised in the Statement of Financial Activities.

25. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2021 the trust received £18,763 (2020: £23,139) and disbursed £16,186 (2020: £35,173). A balance of £16,165 is held in other creditors (2020: £13,588).

26. EVENTS AFTER THE END OF THE REPORTING PERIOD

The trust is continuing to benefit from the ESFA's Free School building programme for the construction of Turner Free School. The trust took control of the teaching block on 16 April 2021 whilst refurbishments to the sports block continued. The trust took control of the sports block on 28 October 2021.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TURNER SCHOOLS AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 10 July 2019 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by Turner Schools during the period 1 September to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Basis for conclusion

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trust. We are independent of Turner Schools in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Turner Schools accounting officer and trustees

The accounting officer is responsible, under the requirements of Turner Schools funding agreement with the Secretary of State for Education dated 10 July 2019 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Turner Schools and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2020 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely

to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to Turner Schools and the ESFA in accordance with the terms of our engagement letter dated 10 July 2019. Our work has been undertaken so that we might state to the Turner Schools and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Turner Schools and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK AUDIT LLP
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

Date: *16 December 2021*