
Registered number: 07964133 (England & Wales)

Kenton Schools Academy Trust

(A company limited by guarantee)

Annual report

31 August 2021

Kenton Schools Academy Trust

(A company limited by guarantee)

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Reference and administrative details

Members

J McHanwell
D Pearmain
T Quincey (appointed 1 April 2021)
R Steele (resigned 1 April 2021)

Trustees

I Lane, CEO & Accounting Officer (appointed 1 November 2019, resigning 31 December 2021)
R Steele, Chair of Board of Trustees (resigned 1 April 2021), remained as a trustee
T Quincey, Vice Chair of Board of Trustees and Chair of Standards Committee (Chair from 1 April 2021)
C Hart, Chair of Finance and General Purposes Committee
M Surtees
A Malcolm
N Nichol
M Sorour

Company registered number

07964133

Company name

Kenton Schools Academy Trust

Principal and registered office

Drayton Road
Newcastle upon Tyne
Tyne and Wear
NE3 3RU

Company secretary

T Carson

Chief executive officer

I Lane

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Reference and administrative details (continued) Year ended 31 August 2021

Executive Team and Headship Team

I Lane, CEO
S Holmes-Carne, Principal, Kenton School
V Wigham, Principal, Studio West
T Carson, Senior Business Governance Support Officer
J Jackowiak, Trust HR Manager
V Robinson, Director of Finance
S Huntley, Vice Principal, Studio West
R Devlin, Vice Principal, Kenton School
N Stoddart, Vice Principal, Kenton School
C Gibson, Assistant Vice Principal, Kenton School
R Scherer, Assistant Principal, Kenton School

Independent auditor

UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers

NatWest Bank plc
16 Northumberland Street
Newcastle upon Tyne
NE1 7EL

Barclays Bank plc
59 High Street
Gosforth
Newcastle upon Tyne
NE3 4AA

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Internal auditor

MHA Tait Walker LLP
Bulman House
Regent Centre
Henry Street
Newcastle upon Tyne
NE3 3LS

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Trustees' report Year ended 31 August 2021

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

Kenton Schools Academy Trust (KSAT) operates two academies in Newcastle upon Tyne. Kenton School is an academy with a pupil capacity of 2,000 and had a roll of 1,837 in the school census of October 2021. Studio West is a studio school with a pupil capacity of 550 and had a roll of 528 in the school census of 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 Kenton Schools Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Kenton Schools Academy Trust.

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

The Trust has purchased third party indemnity insurance to protect trustees from claims arising against negligent acts, errors, or omissions occurring while on academy business. The insurance was in force during the year and at the date of approval of the report.

Method of recruitment and appointment or election of trustees

Trustees are recruited according to an identified need within the trust body. Appointment is by vote of the existing trustees. The term of office for any trustee shall be four years, save that this time limit shall not apply to the Chief Executive or any post held ex officio. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

The trustees or members appoint co-opted trustees. Associate committee members may be appointed by the trustees to bring additional expertise and experience to the Trust. The Chief Executive Officer (CEO) is an ex officio trustee.

Each Academy has a Local Governing Body, which reports to the board of trustees. The arrangements for the election of parent and staff Local Board Governors are delegated to the Principals.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees depends on their existing experience. Where necessary, induction and training are provided on charity, educational, legal and financial matters. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. The Trust offers all trustees a programme of training each year.

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Trustees' report (continued) Year ended 31 August 2021

Organisational structure

During the 2020/21 year the Multi-Academy Trust operated a unified governance structure. The structure consists of three levels: the Members, the Board of trustees, including the Chief Executive, and four sub-committees of the Board of trustees, namely the Finance and General Purposes Sub-Committee, the Standards Committee and two local governing bodies, which include the Principals.

Below this governance level, the management structure of the two academies differs slightly: Kenton School has three further levels: the Headship Team, the Senior Leadership Team and the Middle Leadership Team; Studio West has a flatter structure of senior and middle leaders below the Headship Team, which is evolving as the school grows. The aim of the management structure is to devolve and clarify roles, responsibility and lines of accountability, enabling effective decision making and engagement at all levels of operation.

The trustees are responsible for setting general policy, including financial and human resources policy, as well as analysing and mitigating risk. The Local Governing Bodies adopt annual improvement and curriculum plans and monitor and challenge the academies' performance.

The Chief Executive is the Chief Accounting Officer and is accountable for finance and human resources; he reports to the Trust, via the Standards Committee, on the performance of both academies, including the performance of the Principals, and supports and holds them to account for their work.

The Headship Teams consist of the Principals and Vice Principals. The Principal, with their Headship Teams are responsible for leading and managing their academies, implementing the policies laid down by the Trust in accordance with the Scheme of Delegation.

The Principal and the Headship Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff for posts, through appointment boards, advised by the Trust's HR Manager. Some spending control is devolved to designated leaders in both schools, with limits above which a member of the Headship Team must countersign.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the academy trust comprise the trustees, the Chief Executive Officer, the Principals and the headship teams of both academies, as listed on pages 1 and 2.

The remuneration of the CEO in 2020/21 was set at a fixed cost, following analysis of salary arrangements in other Multi-Academy Trusts (MATs). The pay ranges for school leaders are set in accordance with the School Teachers' Pay and Conditions Document, with Principals paid within a 7-point range, and Vice and Assistant Principals paid within a 5-point range.

The Trust reviews pay annually and progression through the pay range is based on performance assessed through the annual appraisal process; it takes account of the recommendation on pay contained within the appraisal report and awards progression, where there is evidence that the individual:

- contributes effectively to whole school leadership;
- leads their own specific areas of leadership responsibility, taking into account performance management objectives; and
- effectively leads all line managed areas.

Kenton Schools Academy trustees, with the exception of the CEO, do not receive any remuneration.

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Trustees' report (continued)

Year ended 31 August 2021

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Total pay bill and facility time costs

Total pay bill	£9,640,649
Total cost of facility time	£0
Percentage of pay spent on facility time	0%

Paid trade union activities

Hours spent on paid facility time	-
Hours spent on paid trade union activities	-
Percentage of total paid facility time hours spent on trade union activities	0%

Engagement with employees (including disabled persons)

The Trust has and will continue to ensure that employees and their recognised trade unions are consulted on any decisions that are likely to impact on the interests of our staff. This includes engaging in consultation on changes to policy as a result of legislative change or operational requirements, pay, grading and staffing structure issues, and policy and practice affecting wellbeing including health and safety and risk assessments.

In addition to formal consultation, the Trust has a number of informal communication and engagement mechanisms in place such as staff briefings and daily email updates on key issues. Staff feedback is obtained regularly through staff surveys focusing on general or specific issues and informal feedback through staff briefings and line management arrangements.

Trustees regularly communicate with all staff to ensure they are appraised of current developments within the trust, sharing and celebrating successes. Trustees engage with staff and students on a regular basis, and this has increased during the pandemic; to ensure that they are aware of all the issues that are important to staff and students and look to see how the Trust can respond to these. Trustees are currently engaged in longitudinal study in both schools to measure the impact of COVID-19.

Trust employees are subject to a rigorous appraisal system where objectives are set aligned to the Trust, Academy and Departmental Improvement Plans. Performance is reviewed against these objectives both formally through this annual process, and informally through mid cycle reviews and line management meetings.

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Trustees' report (continued) Year ended 31 August 2021

The Trust is committed to ensuring equality of opportunity for all and offer guaranteed interviews for candidates for job roles who have identified as having a disability where the essential criteria for the post is met. We offer various adjustments to support both entry into the Trust for disabled workers and to support them throughout the course of their employment. The Trust will ensure that there are no physical barriers, which would make an employee's life difficult or mean that they are unable to carry out activities. Other barriers, such as negative attitudes from other staff are addressed via the Trust HR policies. Removing these barriers ensures that we create equality and offer disabled people more independence, choice and control. Training and career progression of staff with a disability will be proactively managed via the appraisal process.

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

We are committed to working with a range of suppliers, and encourage smaller, charitable and locally based suppliers as well as social enterprises to compete for business and to support them in improving their ability to meet the Trust's requirements whilst complying with the Academies Financial Handbook.

The Trust aims to conduct all its relationships with integrity and courtesy, and scrupulously to honour every business agreement. The trustees have approved a number of policies that help to ensure the charity maintains high standards of business conduct; these include the Investment Policy, Anti Fraud and Whistleblowing Policy, and Gifts and Hospitality Policy.

The need to act fairly as between members of the company

All members of the Trust are treated fairly and equally, with the same access to information, the ability to directly contact trustees or the Executive, and being invited to participate in training or strategic development events.

All matters reserved for decision by the trustees are presented at Board or Committee meetings as appropriate. trustees are briefed on any identified potential impacts and risks for our stakeholders and how they are to be managed. The trustees take these factors into account before making a final decision which together they believe is in the best interests of the Trust and its stakeholders.

Promoting the success of the company

The trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, stakeholders and the matters set out in section 172(1) of the Companies Act 2006. The Charities Commission has issued guidance which explains that charitable companies should take "promoting the success of the company" to mean "promoting the success of the charity to achieve its charitable purposes."

Kenton Schools Academy Trust is governed by its charitable objects. These charitable objects set out the purpose of the charity. The consequences of all decisions and activities of the charity are assessed by how they drive us towards achieving that long-term purpose, including by reference to the charity's strategy, vision and values.

As an educational charity, we are accountable not only to our funders and direct beneficiaries (our pupils) but also our parents and wider community. These stakeholders support us, engage with us, and challenge us. They ensure that the decisions we make as a charity, from the ground level through to the Board, are for their benefit. We are a values driven organisation and our values mean that we are informed, shaped and powered by our determination to uphold our vision and values.

Well-established involvement and consultation mechanisms, both direct (through parent and staff surveys) and indirect (through the involvement of parents and local people on our Local Governing Body's and Trust Board) ensure that decisions made by the trustees are informed by the needs of the organisation's stakeholders.

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Trustees' report (continued) Year ended 31 August 2021

Trustees consider the consequences of any strategic decision in the long-term as part of their assessment. We aim to ensure that as an organisation we balance our income and expenditure to ensure that our organisation remains sustainable in the long term. This is balanced against the needs of our pupils, staff and other stakeholders, and the community, to ensure we are spending the funding we receive from the government in the most effective way to support our aims, and with integrity.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of KSAT to provide education for students of different abilities between the ages of 11 and 19 at Kenton School and at Studio West, with an emphasis on an inclusive and supportive environment for all students, regardless of their background. The aim of Kenton School is summed up in the school motto "All Different All Equal". This aim also applies to Studio West, but, in addition, Studio West has the specific aim of connecting students' learning to the world of work. This aim is summed up in the school motto "Learning that Connects".

In accordance with the articles of association, the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum, with emphasis on an inclusive and supportive environment for all students, regardless of their background.

The main objectives of the academies during the year ended 31 August 2021 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all students;
- To improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with business, especially at Studio West;
- To conduct the academy's business in accordance with the highest standards of integrity, probity and openness; and
- To ensure strong progression for all school leavers into education, employment and/or training.

Objectives, strategies and activities

The Trust's main objectives are encompassed in its mission statement, included within the Trust's Strategic Plan:

Mission

1. Ensuring the highest quality education that we can provide throughout their learning journey in the Trust by:
 - Establishing excellence as the standard of everything we do, seeking best practice and quality through collaboration within and outside the Trust.
 - Seeking out opportunities beyond the boundaries of our schools to allow learners to develop a global view and experience diversity, challenge, competition and difference.
 - Recruiting, developing and retaining high-quality staff who can bring about excellence in teaching and learning.

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Trustees' report (continued) Year ended 31 August 2021

2. Providing outstanding leadership in our schools and across the Trust to deliver our vision:

- Recruiting and developing moral, transformational and innovative leaders at all levels in our schools and across the Trust.
- Having high expectations of all leaders to model the Trust's values, to celebrate what is different in each child, to nourish and support diversity and to create safe and orderly environments where our learners can learn and thrive.
- To support our leaders through challenge and development to meet demanding targets and yield high quality education and support.
- To support and challenge our local governing bodies to ensure children are safeguarded and excellence is delivered in Trust schools.

3. Supporting our communities to ensure parents and carers have the confidence to make us their chosen provider:

- Through their understanding that we offer a place for all children to achieve, regardless of faith, culture, ability or background; ensuring all stakeholders grasp our focus on inclusivity as evidenced in our approach and provision.
- Through their understanding that safety, wellbeing and personal development of their child is of the utmost priority of all school staff and volunteers.
- Through promoting positive attitudes to lifelong learning, committing to the communities of our schools and supporting families to remove any barriers to learning.

To this end the objectives and the strategies used to achieve them include:

- Detailed planning to raise the achievement of students through a comprehensive school improvement strategy
- Carrying out comprehensive curriculum-led cost analysis to inform future planning
- Responding to Ofsted inspection reports and identified key issues for action
- Embracing national improvement strategy, such as the DfE funded ONE Vision programme
- Collaborating with the LA, other local Trusts and relevant providers/agencies

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students in both Kenton School and Studio West.

Public benefit

In setting our objectives and planning our activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and the trustees have considered this guidance in deciding what activities the Trust should undertake.

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Trustees' report (continued)

Year ended 31 August 2021

Strategic report

Achievements and performance

Key performance indicators

Both of the academies in the Trust were inspected by Ofsted in the 2018/19 academic year. At Kenton School, the overall effectiveness of the academy in February 2019 was judged to require further improvement, whilst the sixth form was judged to be good. At Studio West's inspection of May 2019, the academy was judged to be good in all aspects, including the sixth form. In March 2021, Kenton School received a Remote Monitoring Section 8 Ofsted Inspection which judged "Leaders and those responsible for governance are taking effective action to provide education in the current circumstances".

2020 and 2021 results, with Covid-19, have seen a unique set of circumstances for grading students at both GCSE and post-16. These results, as determined by government, will not be published in school performance tables or used to hold providing bodies and schools to account. Nationally, it has been said and reaffirmed in the revised Education and Inspection Framework that 2019 results will be the only point of reference for inspection and accountability purposes and with an emphasis on the quality of education that students are currently receiving. Centre Assessed and Teacher Assessed Grades in 2020 and 2021 both at GCSE and post-16 were robustly moderated following Ofqual guidelines. There was no cohort submission for either year 11 or year 13 at Studio West as the new population works its way through the school, with the 2021-22 year 11 due to sit public examinations in 2022. The 2021 headlines, against two previous years for Kenton School are as follows:

Measure	2019	2020 (CAG year)	2021 (TAG year)	National 2019
GCSE				
Progress 8	-0.62	N/A	N/A	-0.03
Attainment 8	40.5	41.2	40.2	46.7
5+ English/Maths	31%	37%	36%	43%
4+ English/Maths	53%	57%	54%	65%
EBacc Ave. Pt. Score	3.3	3.4	3.2	4.1
Post-16				
Academy average grade per entry	C-	C	C+	C+
Academy value-added	-0.13	0.31	0.6	-0.02
Applied General average grade	M	M+	M	M+
Applied General value-added	-0.12	0.12	0.04	-0.01
Technical	Dis-	M+	M-	M+

The priority for both schools post-lockdown is in ensuring that all students are supported in the re-engagement with on-site learning and that high-quality provision is in place for remote access to learning in the event of local lockdown. The closing of all performance gaps for "vulnerable groups", including for the "Disadvantaged" remains a priority for both schools, which has been exacerbated because of Covid-19.

Attendance and reducing levels of persistent absence are key priorities for both schools, albeit within very different circumstances because of the pandemic. Significant efforts were made during both lockdowns to re-engage some of the schools' most hard to reach young people. As is the case for all schools nationally, the situation is still potentially volatile. Rates of attendance for 2020-21, against the previous two years is as follows.

	2019	2020	2021	Nat 2019
Kenton School	89.9%	89.2%	87.0%	94.5%
Studio West	94.9%	93.9%	88.5%	94.5%

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Figures for 2019 are for prior to the pandemic. 2020 and 2021 figures are calculated both nationally and at school level with X-codes (Covid-related absences) removed, except for the positive cases of Covid which count as a normal absence.

Financial key performance indicators relevant to the academy trust were as follows:

	2020	2021
Total staff costs as a % of income*	62.0%	68.4%
Teaching and educational staff costs as a % of income*	48.9%	58.7%
Other support staff costs as a % of income*	13.0%	9.7%

*Total income excluding donations and capital grants.

The increase in total staff costs as a % of income relates to the cost of living wage increase applicable to most of the staff. Additionally, the academy trust has incurred additional staff costs due to Covid-19, as there were additional claims of overtime and need for additional staff to administer the mass testing programme.

Other support staff costs have reduced as some of the staff in those roles had teaching qualifications and moved into teaching roles during the year. Recruitment for support staff during the year was delayed due to Covid-19 related lockdowns and additional agency staff was hired during the year to supplement the staff numbers.

The academy trust has a set budget planning principal of a maximum of 72% for total staff costs.

Financial review

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

The Trust also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS 102), such grants 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.

In addition, the Trust derives smaller amounts of income from lettings, sports hall hire and catering.

During the year ended 31 August 2021, total expenditure of £17,918k was met by recurrent grant funding from the DfE/ESFA, together with other incoming resources. The excess of income over revenue expenditure for the year (before transfers and actuarial losses and excluding restricted fixed asset funds and the LGPS pension cost) was £1,817k, of which £1,215k has been invested in fixed assets.

All the expenditure shown in the Statement of Financial Activities is in furtherance of the academies' objectives.

At 31 August 2021, the net book value of fixed assets was £27,656k and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pension scheme, resulting in a liability of £8,750k being recognised on the balance sheet.

The academy held fund balances at 31 August 2021 of £21,958k comprising £20,980k of restricted funds and £978k of unrestricted funds.

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Trustees' report (continued) Year ended 31 August 2021

Going concern

The pandemic had an impact on the operations of the school in the latter part of the year. The financial impact however has not been significant with the main funding streams unchanged; at 31 August 2021 the academy had cash reserves of £4,050k.

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further detail regarding the adoption of the going concern basis of preparation is given in the accounting policies.

Reserves policy

The academy seeks to hold restricted and unrestricted funds. Unrestricted funds are held:

- To provide funds which can be designated to specific areas to improve the quality of education; and
- To cover ongoing costs in relation to the running of the academy including catering provision, school trips and uniform costs.

The academy held fund balances at 31 August 2021 of £21,958k comprising £20,980k of restricted funds and £978k of unrestricted funds.

The academy's level of free reserves (total funds less the amount held in restricted fixed asset funds and restricted pension funds) are in surplus by £2,965k at the end of the financial year.

In light of the financial position the Trust found itself in at the end of 2017, the trustees increased the reserves policy from £500k to the ESFA recommended policy of 1/12th of annual income, which is £1,464k based on current projections. The Trust has achieved this policy at 31 August 2021. The trustees consider that to hold reserves in excess of the minimum levels at the present time is desirable to allow the Trust to deal with any future uncertainties and costs resulting from the ongoing pandemic or any loss of future funding.

Investment policy

The Trust Finance & General Purposes Committee is responsible for approving the investment policy and has an on-going responsibility to ensure monitoring and review of any investment. All borrowing shall be authorised by the Committee, undertaken in the name of Kenton Schools Academy Trust, and conform to the relevant funding body requirements. Investments should be made to further the trusts charitable aims, but must ensure that investment risk is properly managed. The investment objectives based on prudence are:

- To achieve best financial return available whilst ensuring the security of deposits takes precedence over revenue maximisation;
- Only to invest funds surplus to operational need based on all financial commitments being met without the Trust bank account becoming overdrawn; and
- By complying with this policy, all investment decision should be exercised with care and skill and consequently be in the best interests of the Trust, commanding public support.

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Trustees' report (continued) Year ended 31 August 2021

Principal risks and uncertainties

The trustees have implemented a comprehensive risk management process and have assessed the major risks to which the academy is exposed, especially those relating specifically to its finances and teaching provision and other operational areas in its academies.

The principal risks and uncertainties are focused on changes in the level of funding from the DfE and the ESFA. In addition, the Trust is a Member of the LGPS, which results in the recognition of a significant liability on the academy balance sheet.

More detailed and specific financial risks that are managed throughout the year are:

- Liquidity risk; The Trust manages its resources, so all its operating needs are met without the need for any external borrowing.
- Interest rate risk: in the absence of borrowing and with low levels of current and expected interest rates, the Trust is not exposed to significant interest rate risk.
- Credit risk: the Trust is subject to price inflation, but is funded by government alongside all other academies and schools, and credit risk is considered to be negligible.

The academies have an effective system of internal financial controls, which is explained in more detail in the Governance Statement.

The principal core and reputational risk faced by the Trust concerns the Ofsted "Requires Improvement" category of Kenton School. The Trust has engaged fully in a DfE-led school improvement project, ONE Vision, which has attracted significant additional funding over three years, and is working closely with a National Leader in Education on addressing these risks.

The academies have fully implemented the requirements of the Safer Recruitment procedures and all staff have received training in this area, in addition to training on Child Protection and GDPR.

In Spring 2021 the CEO indicated his intention to retire from his substantive role with effect from 1st January 2022. Whilst the Trust has gone out to national advert twice and not managed to recruit a permanent replacement and in the light of changes in national policy, trustees have determined to make a temporary appointment from January, which will also enable the Trust to consider carefully and in a measured way its full range of options for growth going forward.

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Trustees' report (continued) Year ended 31 August 2021

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021

Energy consumption used to calculate emissions (kWh)	3,029,692
Energy consumption breakdown (kWh)	
Gas	2,008,136
Electricity	967,744
Biomass	33,620
Transport fuel	20,192

Scope 1 emissions in metric tonnes CO₂e

Gas consumption	369.24
Biomass	0.52
Transport fuel	4.94
Total Scope 1	374.7

Scope 2 emissions in metric tonnes CO₂e

Purchased electricity	225.62
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Scope 3 emissions in metric tonnes CO₂e

Business travel in employee owned vehicles	0.172
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Total gross emissions in metric tonnes CO₂e	564.64
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Intensity ratio tonnes CO₂e per pupil	0.25
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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 Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for this sector.

Measures taken to improve energy efficiency

The Trust is working with the Local Authority to submit a bid for the Public Sector Decarbonisation Scheme which aims to reduce operational energy costs, reduce energy consumption and emissions. Solar panels will be installed at Kenton School in the 2021-22 financial year as part of the Public Sector Decarbonisation Scheme.

Fundraising

The Trust does not use external fundraisers. All fundraising undertaken during the year was monitored by the trustees.

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Trustees' report (continued) Year ended 31 August 2021

Disabled persons

Lifts, ramps and disabled toilets are installed, and door widths are adequate to enable wheelchair access to all main areas of the academies. The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities, including any employees that become disabled while employed. The Trust does this by adapting the physical environment, by making support resources available and through training, career development and promotion available to disabled employees.

Plans for future periods

In 2016-17, trustees first discussed the possibility of the Kenton Schools Academy Trust joining another local Trust. It was agreed that the CEO should hold detailed discussions with a view to the Kenton Trust joining the local MAT at that particular point in time. Trustees have continued to keep this matter under review, though the key priority is for the Kenton Schools' Academy Trust is for Kenton to secure a judgment of good at its next inspection and for Studio West to continue on its onward and upward journey towards outstanding. A judgment of at least good for both schools would assist in strengthening the Trust's options in relation to growth strategy going forward.

In September 2020, Studio West admitted its fourth cohort of Year 7 students, following the change of age range from 14-19 to 11-19. All four years have seen admission into year 7 which is above Pupil Admission Number (PAN). In September 2021, Studio West took 119 students into its year 7 by agreement with the local authority and the ESFA to assist with local demographics and pressure on secondary school places. As an indication of the school's popularity locally there were 174 first choices for a PAN of 90. A further significant change request to increase the size of the school to 640 has been made and is near completion. Whilst the expanded learning environment is much improved, there is still the need to secure on-site sports facilities. In the context of places planning and the development of new secondary schools locally, the Trust has recently gone out to consultation in relation to reducing Kenton School's PAN from 342 to 300 from September 2023, and to increase its Assisted Resources Provision from 18 to 24.

Disclosure of information to auditor

Insofar as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- That trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustee, as the company directors, on 16 December 2021 and signed on its behalf by:



T Quincey
Chair of Trustees

Kenton Schools Academy Trust

(A company limited by guarantee)

Governance statement

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met 4 times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
I Lane	4	4
R Steele	4	4
T Quincey	4	4
C Hart	3	4
M Surtees	3	4
A Malcolm	2	4
N Nichol	4	4
M Sorour	4	4

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to advise the Board, subject to the detailed requirements of the Academies Financial Handbook, Funding Agreement and the Financial Regulations of the Trust, on the following matters:

- The annual estimates of income and expenditure and financial forecast for the Trust and its Academies;
- Monitoring of revenue finances of the Trust and its Academies and advising the Board on progress towards achieving its financial objectives;
- Monitoring of policies relating to finance, staffing and buildings, including Health and Safety, capitalisation, depreciation, treasury management, investment and borrowing;
- The financial elements of the risk management policy including health and safety, buildings and insurance;
- The management accounts of the Trust, advising the Board on the year-end accounts;
- To consider any relevant legal and contractual documentation, operating within the Articles of Association, Schemes of Delegation, Funding Agreement and Financial Regulations;
- To monitor policies in relation to non-educational services such as Human Resources, publicity and marketing, and to agree changes as necessary;
- To monitor the deployment of non-financial resources, including personnel and property, with a view to advising the Board on the effectiveness of such resources; and
- The oversight of the pay and conditions of service of all employees of the Trust.
- The internal scrutiny programme for the Trust.

Kenton Schools Academy Trust

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Governance Statement (continued)

Governance (continued)

Attendance at meetings of the Finance and General Purposes Committee in the year was as follows:

Trustee	Meetings attended	Out of a possible
R Steele	5	6
T Quincey	6	6
M Surtees	6	6
C Hart (Chair)	5	6
I Lane	0	0

In June 2019 as part of the Opportunity North East Programme, a review of governance was conducted by a National Leader of Governance and identified a series of recommendations:

- The Trust should devise a clear mechanism whereby the performance of the chair and vice-chair is subject to regular 360° review of their performance on an annual basis;
- The Trust should carry out a skills audit of existing Members, despite the rigour that is applied to identifying the skills gaps when recruiting new trustees;
- The Trust should ensure that there are appropriate mechanisms in place to ensure that all stakeholders are made aware of KSAT Board decisions and the evidence of this activity is recorded on the school website;
- The Trust should, through the Local Governing Board, give greater attention to the impact of pupil premium and year 7 catch up funding.

Since the review, recommendations have largely been implemented and will continue to be a priority for the coming year.

Review of value for money

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

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

- The schools have maintained a staffing structure that is focused on the provision of excellent pastoral and academic support for learning;
- Integrated Curriculum Led Financial Planning has been fully embedded within both schools and has driven the budget setting and medium term financial planning of the Trust. Contact ratios and key financial indicators were ratified by trustees and are used as the principles to ensure the financial viability and sustainability with curriculum breadth and student pathways across subjects.

The financial governance and oversight by the trustees and Accounting Officer have ensured that cost and effectiveness of spending proposals have been challenged in order to achieve value for money for the Trust, for example, in the tendering of reprographic services for both Kenton School and Studio West School.

The Trust regularly reviews and assesses budget against actual expenditure and investigate variances when they occur.

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Governance Statement (continued)

The purpose of the system of internal control

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

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 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 academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The board of trustees has decided to employ MHA Tait Walker LLP as internal auditor.

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

- testing of payroll systems;
- testing of purchase systems; and
- testing of control account/bank reconciliations.

On a termly basis, the internal auditor reports to the board of trustees through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the trustees' financial responsibilities.

There were no significant matters arising from the work of the internal auditor in the 2020/21 financial year.

Kenton Schools Academy Trust

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Governance Statement (continued)

Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the internal and external auditors and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 16 December 2021 and signed on their behalf by:



T Quincey
Chair of Trustees



I Lane
Accounting Officer

Kenton Schools Academy Trust

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Statement on regularity, propriety and compliance

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

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

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



I Lane
Accounting Officer

Date: 16 December 2021

Kenton Schools Academy Trust

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Statement of trustees' responsibilities Year ended 31 August 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



T Quincey

Chair of Trustees

Date: 16 December 2021



Independent auditor's report on the financial statements to the members of Kenton Schools Academy Trust

Opinion

We have audited the financial statements of Kenton Schools Academy Trust ('the academy') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards ('United Kingdom Generally Accepted Accounting Practice'), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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



Independent auditor's report on the financial statements to the members of Kenton Schools Academy Trust (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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



Independent auditor's report on the financial statements to the members of Kenton Schools Academy Trust (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the trustees and other management (as required by Auditing Standards) and from inspection of the academy's legal correspondence and we discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We have communicated identified laws and regulations within our team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the academy is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), and taxation legislation and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the academy is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, safeguarding and child protection and certain aspects of company legislation, recognising the nature of the academy's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance.

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

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



Independent auditor's report on the financial statements to the members of Kenton Schools Academy Trust (continued)

Use of our report

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

A handwritten signature in black ink, appearing to read 'Michael Morris'.

Michael Morris FCA FCCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

16 December 2021

Kenton Schools Academy Trust

(A company limited by guarantee)

Independent reporting accountant's assurance report on regularity to Kenton Schools Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 17 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kenton Schools Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Kenton Schools Academy Trust's funding agreement with the Secretary of State for Education dated 1 May 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to support our conclusion includes:

- Testing a sample of expenditure to verify that the Trust's procurement procedures have been followed for the items selected;
- Testing a sample of payments to ensure that they are correctly authorised in accordance with the Trust's policies;
- Testing a sample of expenditure to verify the nature of spend is in line with funding agreements; and
- Testing a sample of income and expenditure to ensure systems and controls are being implemented in line with the Trust's policies.

Kenton Schools Academy Trust

(A company limited by guarantee)

Independent reporting accountant's assurance report on regularity to Kenton Schools Academy Trust and the Education & Skills Funding Agency (continued)

Conclusion

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



**Michael Morris FCA FCCA
UNW LLP**

Date: 16 December 2021

Kenton Schools Academy Trust

(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) Year ended 31 August 2021

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	3	201	-	964	1,165	69
Charitable activities	4	-	16,405	-	16,405	14,346
Other trading activities	5	460	-	-	460	605
Investments		-	-	-	-	6
Total income		661	16,405	964	18,030	15,026
Expenditure on:						
Charitable activities	6	177	15,932	1,809	17,918	15,564
Total expenditure		177	15,932	1,809	17,918	15,564
Net income / (expenditure)		484	473	(845)	112	(538)
Transfers between funds	17	-	(1,215)	1,215	-	-
Net movement in funds before other recognised gains/(losses)		484	(742)	370	112	(538)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(150)	-	(150)	(1,830)
Net movement in funds		484	(892)	370	(38)	(2,368)
Reconciliation of funds:						
Total funds brought forward		494	(5,871)	27,373	21,996	24,364
Net movement in funds		484	(892)	370	(38)	(2,368)
Total funds carried forward		978	(6,763)	27,743	21,958	21,996

The notes on pages 30 to 56 form part of these financial statements.

Kenton Schools Academy Trust

(A company limited by guarantee)

Balance sheet At 31 August 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	13	27,656	27,373
Current assets			
Debtors	14	457	532
Cash at bank and in hand		4,050	2,999
		<u>4,507</u>	<u>3,531</u>
Creditors: amounts falling due within one year	15	(1,297)	(1,168)
Net current assets		<u>3,210</u>	<u>2,363</u>
Total assets less current liabilities		<u>30,866</u>	<u>29,736</u>
Creditors: amounts falling due after more than one year	16	(158)	-
Net assets excluding pension liability		<u>30,708</u>	<u>29,736</u>
Defined benefit pension scheme liability	25	(8,750)	(7,740)
Total net assets		<u><u>21,958</u></u>	<u><u>21,996</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	27,743	27,373
Restricted income funds	17	1,987	1,869
Pension reserve	17	(8,750)	(7,740)
Total restricted funds	17	<u>20,980</u>	<u>21,502</u>
Unrestricted income funds	17	<u>978</u>	<u>494</u>
Total funds		<u><u>21,958</u></u>	<u><u>21,996</u></u>

The financial statements on pages 27 to 56 were approved by the trustees, and authorised for issue on 16 December 2021 and are signed on their behalf, by:


T Quincey
Chair of Trustees

Company registered number: 07964133

The notes on pages 30 to 56 form part of these financial statements.

Kenton Schools Academy Trust

(A company limited by guarantee)

Statement of cash flows Year ended 31 August 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	2,020	1,915
Cash flows from investing activities	21	(1,127)	(294)
Cash flows from financing activities	20	158	-
Change in cash and cash equivalents in the year		1,051	1,621
Cash and cash equivalents at the beginning of the year		2,999	1,378
Cash and cash equivalents at the end of the year	22, 23	<u><u>4,050</u></u>	<u><u>2,999</u></u>

The notes on pages 30 to 56 form part of these financial statements

Kenton Schools Academy Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Kenton Schools Academy Trust meets the definition of a public benefit entity under FRS 102. The academy is incorporated in the United Kingdom and registered in England and Wales.

Assets and liabilities are initially recognised as historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in pounds sterling, which is the functional currency of the charity and are rounded to the nearest £000.

1.2 Going concern

In determining the appropriate basis of preparation of the financial statements, the trustees are required to consider whether the use of going concern is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern for the foreseeable future, being a period of at least 12 months from the date of signing of these financial statements.

The trustees have performed this assessment and have prepared the financial statements on a going concern basis which is considered appropriate for the following reasons.

At 31 August 2021, the free reserves position was £2,965k and the academy had cash reserves of £4,050k.

The trustees have prepared cash flow forecasts for a period in excess of 12 months from the date of their approval of these financial statements and considered the potential further impact of the Covid-19 pandemic. The cash flow forecasts that the trustees have prepared are based on their current best estimates and are in line with the funding agreement in place with the Department for Education and show that the academy can maintain sufficient financial headroom for the foreseeable future.

There are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Kenton Schools Academy Trust

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Notes to the financial statements Year ended 31 August 2021

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

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

- **Charitable activities**

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

All expenditure is inclusive of irrecoverable VAT.

Kenton Schools Academy Trust

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Notes to the financial statements Year ended 31 August 2021

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £3,000 (equipment and vehicles) or £7,000 (land, buildings and improvements) 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 life, as follows:

Long term leasehold land	- 125 years
Long term leasehold buildings	- 21 to 125 years
Fixtures and fittings	- 5 years
Motor vehicles	- 5 years
Computer equipment	- 3 years

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

1.6 Debtors

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

1.7 Cash at bank and in hand

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

1.8 Liabilities

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

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Notes to the financial statements Year ended 31 August 2021

1. Accounting policies (continued)

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Operating leases

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

1.11 Pensions

The academy operates a defined contribution pension scheme and the pension charge represents the amounts payable by the academy to the fund in respect of the year.

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

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

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

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

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Notes to the financial statements

Year ended 31 August 2021

1. Accounting policies (continued)

1.12 Agency arrangements

The Trust acts as an agent in the administration of 16-19 bursary funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

1.13 Taxation

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

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

1.14 Fund accounting

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

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

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

Kenton Schools Academy Trust

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Notes to the financial statements Year ended 31 August 2021

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

Critical areas of judgment:

Depreciation - depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the fixed asset accounting policy.

Land - certain land is held under a 125 year lease from Newcastle City Council. These assets are included on the balance sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease term being a major part of the economic life of assets and the assets being of such a specialised nature that only the academy could use them without major modification.

The PFI contract is an agreement to receive services, and as the academy trust is deemed to control the services that are provided under the PFI scheme, the academy trust has recognised the assets used under the contracts within tangible fixed assets. The trustees consider the cost of obtaining an additional valuation would outweigh the benefit.

The non-PFI premises are held on a 125 year lease from Newcastle City Council. As the risks and rewards of ownership has transferred to the academy trust, the asset has been recognised within tangible fixed assets. The initial acquisition was recognised at insurance valuation. The trustees consider the cost of obtaining an additional valuation would outweigh the benefit.

Kenton Schools Academy Trust

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Notes to the financial statements Year ended 31 August 2021

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Donations	201	-	201
Grants	-	964	964
	<u>201</u>	<u>964</u>	<u>1,165</u>

	Unrestricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Donations	25	-	25
Grants	-	44	44
	<u>25</u>	<u>44</u>	<u>69</u>

4. Funding for the academy's educational operations

	Restricted funds 2021 £000	Total funds 2021 £000
DfE/ESFA grants		
General Annual Grant (GAG)	13,478	13,478
Other DfE/ESFA grants		
Pupil Premium	995	995
Other DfE/ESFA Grants	967	967
Other Government Grants	383	383
SEN	229	229
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	162	162
Other DfE/ESFA COVID-19 funding	191	191
Total 2021	<u>16,405</u>	<u>16,405</u>

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Notes to the financial statements Year ended 31 August 2021

4. Funding for the academy's educational operations (continued)

	Restricted funds 2020 £000	Total funds 2020 £000
DfE/ESFA grants		
General Annual Grant (GAG)	12,140	12,140
Other DfE/ESFA grants		
Pupil Premium	933	933
Other DfE/ESFA Grants	801	801
Other Government Grants	282	282
SEN	190	190
Total 2020	14,346	14,346

5. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000
Sundry income	101	101
Rental income	165	165
Catering	155	155
School fund	39	39
Total 2021	460	460

	Unrestricted funds 2020 £000	Total funds 2020 £000
Sundry income	175	175
Rental income	206	206
Catering	135	135
School fund	89	89
Total 2020	605	605

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Notes to the financial statements

Year ended 31 August 2021

6. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000
Educational operations:				
Direct costs	8,806	-	630	9,436
Support costs	2,524	3,922	2,036	8,482
	<u>11,330</u>	<u>3,922</u>	<u>2,666</u>	<u>17,918</u>
	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Educational operations:				
Direct costs	7,853	-	675	8,528
Support costs	2,296	3,350	1,390	7,036
	<u>10,149</u>	<u>3,350</u>	<u>2,065</u>	<u>15,564</u>

The total amount of expenditure incurred during the year relating to Covid-19 was £353k.

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000
Educational operations	<u>9,436</u>	<u>8,482</u>	<u>17,918</u>
	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Educational operations	<u>8,528</u>	<u>7,036</u>	<u>15,564</u>

Kenton Schools Academy Trust

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Notes to the financial statements Year ended 31 August 2021

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £000	Total funds 2020 £000
Pension finance costs	120	100
Staff costs	2,524	2,296
Depreciation	1,809	1,644
Technology costs	467	169
Educational support costs	53	111
Maintenance of premises and equipment	392	234
Cleaning	205	158
Rent and rates	1,444	1,264
Energy	72	71
Insurance	68	37
Security and transport	10	15
Catering	675	365
Other support costs	619	540
Governance costs	24	32
	<u>8,482</u>	<u>7,036</u>

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	81	98
Depreciation of tangible fixed assets	1,809	1,644
Fees paid to auditor for:		
- audit	13	13
- other assurance	1	1
	<u>1,904</u>	<u>1,756</u>

Kenton Schools Academy Trust

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Notes to the financial statements Year ended 31 August 2021

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	7,701	7,080
Social security costs	780	707
Pension costs	2,310	1,993
	<hr/>	<hr/>
	10,791	9,780
Agency staff costs	539	369
	<hr/>	<hr/>
	11,330	10,149
	<hr/> <hr/>	<hr/> <hr/>

b. Staff numbers

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

	2021 No.	2020 No.
Senior management	14	17
Teaching staff	132	125
Learning support staff	85	103
Support staff	35	35
	<hr/>	<hr/>
	266	280
	<hr/> <hr/>	<hr/> <hr/>

Kenton Schools Academy Trust

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Notes to the financial statements Year ended 31 August 2021

9. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	5	1
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	1	2
In the band £110,001 - £120,000	1	-

d. Key management personnel

The key management personnel of the academy comprise the Executive Team and Headship Team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £923,916 (2020: £892,377).

10. Central services

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

- finance
- human resources
- information technology
- CEO, business and governance support
- data management
- estates management

The academy charges for these services on the following basis:

Costs split based on actual charges where this can be determined, or pupil numbers, being 85% Kenton School and 15% Studio West.

The actual amounts charged during the year were as follows:

	2021 £000	2020 £000
Kenton School	666	520
Studio West	118	96
Total	784	616

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Notes to the financial statements

Year ended 31 August 2021

11. Trustees' remuneration and expenses

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

		2021	2020
		£000	£000
I Lane, CEO	Remuneration	60 - 65	55 - 60
	Pension contributions paid	5 - 10	5 - 10

During the year, Northern Education Associates Limited received payments totalling £nil (2020: £11,700) in respect of the services provided by K McDermid, former trustee, in his former role as CEO of the academy.

During the year, no trustees received any other remuneration or benefits in kind (2020: £nil).

During the year, no trustee expenses have been incurred (2020: £nil).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, Kenton Schools Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2021 was £213 (2020: £215). The cost of this insurance is included in the total insurance cost.

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

Kenton Schools Academy Trust

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Notes to the financial statements Year ended 31 August 2021

13. Tangible fixed assets

	Long-term leasehold property £000	Fixtures and fittings £000	Motor vehicles £000	Computer equipment £000	Total £000
Cost					
At 1 September 2020	39,683	283	79	1,078	41,123
Additions	1,069	92	-	930	2,091
At 31 August 2021	<u>40,752</u>	<u>375</u>	<u>79</u>	<u>2,008</u>	<u>43,214</u>
Depreciation					
At 1 September 2020	12,654	239	76	780	13,749
Charge for the year	1,581	30	-	198	1,809
At 31 August 2021	<u>14,235</u>	<u>269</u>	<u>76</u>	<u>978</u>	<u>15,558</u>
Net book value					
At 31 August 2021	<u>26,517</u>	<u>106</u>	<u>3</u>	<u>1,030</u>	<u>27,656</u>
At 31 August 2020	<u>27,029</u>	<u>44</u>	<u>2</u>	<u>298</u>	<u>27,373</u>

14. Debtors

	2021 £000	2020 £000
Due within one year		
Trade debtors	98	113
Prepayments and accrued income	295	357
VAT recoverable	64	62
	<u>457</u>	<u>532</u>

Kenton Schools Academy Trust

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Notes to the financial statements

Year ended 31 August 2021

15. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	206	213
Other taxation and social security	211	181
Other creditors	183	175
Accruals and deferred income	697	599
	<u>1,297</u>	<u>1,168</u>
	2021 £000	2020 £000
Deferred income at 1 September 2020	246	265
Resources deferred during the year	84	206
Amounts released from previous periods	(122)	(225)
	<u>208</u>	<u>246</u>

16. Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Other loans	158	-

Other loans relate to a CIF loan and a Salix loan taken out during the year. Both loans are unsecured and not repayable until at least September 2022. The CIF loan incurs interest of 2.22% from the date it becomes repayable. The Salix loan does not incur any interest.

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Notes to the financial statements Year ended 31 August 2021

17. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Unrestricted general funds	494	661	(177)	-	-	978
Restricted general funds						
Restricted funds	1,869	16,405	(15,072)	(1,215)	-	1,987
Pension reserve	(7,740)	-	(860)	-	(150)	(8,750)
	<u>(5,871)</u>	<u>16,405</u>	<u>(15,932)</u>	<u>(1,215)</u>	<u>(150)</u>	<u>(6,763)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	27,373	964	(1,809)	1,215	-	27,743
Total restricted funds	<u>21,502</u>	<u>17,369</u>	<u>(17,741)</u>	<u>-</u>	<u>(150)</u>	<u>20,980</u>
Total funds	<u>21,996</u>	<u>18,030</u>	<u>(17,918)</u>	<u>-</u>	<u>(150)</u>	<u>21,958</u>

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

The restricted fixed asset fund represents the fixed assets of the Trust, which are restricted to be applied for educational purposes in furtherance of the academies' objects.

The restricted fund includes all remaining grant funds for the general running of the Trust.

The pension reserve equates to the Trust's share of the deficit on the Local Government Pension Scheme in which it participates.

Unrestricted funds are all other funds of the Trust.

During the year a transfer has been made from the general restricted fund to the restricted fixed asset fund, representing capital additions not funded through direct capital grant.

Kenton Schools Academy Trust

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Notes to the financial statements Year ended 31 August 2021

17. Statement of funds (continued)

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Unrestricted general funds	78	636	(220)	-	-	494
Restricted general funds						
Restricted funds	867	14,346	(13,050)	(294)	-	1,869
Pension reserve	(5,260)	-	(650)	-	(1,830)	(7,740)
	(4,393)	14,346	(13,700)	(294)	(1,830)	(5,871)
Restricted fixed asset funds						
Restricted fixed asset fund	28,679	44	(1,644)	294	-	27,373
Total Restricted funds	24,286	14,390	(15,344)	-	(1,830)	21,502
Total funds	24,364	15,026	(15,564)	-	(1,830)	21,996

Kenton Schools Academy Trust

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Notes to the financial statements

Year ended 31 August 2021

17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Kenton School	2,962	2,505
Studio West	(7)	(152)
Central services	10	10
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,965	2,363
Restricted fixed asset fund	27,743	27,373
Pension reserve	(8,750)	(7,740)
	<hr/>	<hr/>
Total	21,958	21,996
	<hr/> <hr/>	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £000
Studio West	(7)
	<hr/> <hr/>

This is the seventh year of operation for this academy. The deficit initially arose due to an unplanned clawback of funds.

The academy is taking the following action to return the academy to surplus:

Integrated Curriculum Led Financial Planning (ICLFP) is being used to ensure that an efficient and viable curriculum and medium term budget plan is in place for Studio West to continue to recover the deficit position whilst continuing to deliver outcomes for students.

Kenton Schools Academy Trust

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Notes to the financial statements Year ended 31 August 2021

17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000
Kenton School	8,136	640	910	2,683	12,369
Studio West	1,761	297	160	623	2,841
Central services	-	699	-	200	899
Academy	9,897	1,636	1,070	3,506	16,109

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000
Kenton School	6,309	1,082	1,534	2,536	11,461
Studio West	1,008	311	207	306	1,832
Central services	-	556	-	71	627
Academy	7,317	1,949	1,741	2,913	13,920

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Notes to the financial statements Year ended 31 August 2021

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	27,656	27,656
Current assets	978	3,442	87	4,507
Creditors due within one year	-	(1,297)	-	(1,297)
Creditors due in more than one year	-	(158)	-	(158)
Provisions for liabilities and charges	-	(8,750)	-	(8,750)
Total	978	(6,763)	27,743	21,958

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	27,373	27,373
Current assets	494	3,037	-	3,531
Creditors due within one year	-	(1,168)	-	(1,168)
Provisions for liabilities and charges	-	(7,740)	-	(7,740)
Total	494	(5,871)	27,373	21,996

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Notes to the financial statements Year ended 31 August 2021

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

	2021 £000	2020 £000
Net income/(expenditure) for the year (as per statement of financial activities)	112	(538)
Adjustments for:		
Depreciation	1,809	1,644
Capital grants from DfE and other capital income	(964)	(44)
Defined benefit pension scheme cost less contributions payable	740	550
Defined benefit pension scheme finance cost	120	100
Decrease/(increase) in debtors	75	(93)
Increase in creditors	128	296
Net cash provided by operating activities	2,020	1,915

20. Cash flows from financing activities

	2021 £000	2020 £000
Cash inflows from new borrowing	158	-
Net cash provided by financing activities	158	-

21. Cash flows from investing activities

	2021 £000	2020 £000
Purchase of tangible fixed assets	(2,091)	(338)
Capital grants from DfE Group	964	44
Net cash used in investing activities	(1,127)	(294)

22. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	4,050	2,999

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23. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	2,999	1,051	4,050
Debt due after 1 year	-	(158)	(158)
	<u>2,999</u>	<u>1,051</u>	<u>4,050</u>

24. Capital commitments

	2021 £000	2020 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	216	-
	<u>216</u>	<u>-</u>

25. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £183,000 were payable to the schemes at 31 August 2021 (2020: £133,000) and are included within creditors.

Teachers' Pension Scheme

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

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

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25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,068,995 (2020: £1,123,159).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £460,000 (2020: £450,000), of which employer's contributions totalled £330,000 (2020: £320,000) and employees' contributions totalled £130,000 (2020: £130,000). The agreed contribution rates for future years are 16.3 per cent for employers and 5.5 to 12.0 per cent for employees.

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

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

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25. Pension commitments (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	4.1	3.7
Rate of increase for pensions in payment/inflation	2.6	2.2
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.6	2.2
Pension accounts revaluation rate	2.6	2.2

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

	2021 Years	2020 Years
Retiring today		
Males	21.9	21.8
Females	25.1	25.0
Retiring in 20 years		
Males	23.6	23.5
Females	26.9	26.8

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	21,950	18,550
Discount rate -0.1%	23,190	19,590
Mortality assumption - 1 year increase	21,730	18,390
Mortality assumption - 1 year decrease	23,420	19,750
CPI rate +0.1%	22,650	19,140
CPI rate -0.1%	22,470	19,980

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25. Pension commitments (continued)

Share of scheme assets

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

	2021 £000	2020 £000
Equities	7,680	6,060
Government bonds	290	270
Corporate bonds	2,780	2,590
Property	1,100	1,040
Cash and other liquid assets	550	220
Other	1,410	1,140
Total market value of assets	13,810	11,320

The actual return on scheme assets was £2,180,000 (2020: £170,000).

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

	2021 £000	2020 £000
Interest income	200	210
Interest cost	(320)	(310)
Current service cost	(1,070)	(870)
Total amount recognised in the Statement of financial activities	(1,190)	(970)

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

	2021 £000	2020 £000
At 1 September	19,060	16,280
Current service cost	1,070	870
Interest cost	320	310
Employee contributions	130	130
Actuarial losses	2,130	1,660
Benefits paid	(150)	(190)
At 31 August	22,560	19,060

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25. Pension commitments (continued)

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

	2021 £000	2020 £000
At 1 September	11,320	11,020
Interest income	200	210
Actuarial gains/(losses)	1,980	(170)
Employer contributions	330	320
Employee contributions	130	130
Benefits paid	(150)	(190)
At 31 August	13,810	11,320

26. Operating lease commitments

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

	2021 £000	2020 £000
Not later than 1 year	34	81
Later than 1 year and not later than 5 years	80	12
Later than 5 years	-	9
	114	102

27. Other financial commitments

Under the PFI arrangement, the academy has a financial liability to make payments to the PFI contractor under the life of the contract, which began in October 2008 and will run for 25 years. The cost is based on pupil numbers and in the current year was £1,331,676 (2020: £1,150,788). Funding was received from the ESFA to cover this commitment.

28. Members' liability

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

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29. Related party transactions

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

Other than the CEO's remuneration disclosed in note 11, there were no other related party transactions in either period.

30. Agency arrangements

The academy trust distributes bursary funds to students aged 16-19 as an agent for ESFA. The academy trust received £36,000 (2020: £37,000) and disbursed £44,000 (2020: £34,000) in the year. The remaining balance is held within deferred income, along with balances deferred from previous periods.