

**Company Registration No. 07185018 (England and Wales)**

**THE UNIVERSITY OF KENT ACADEMIES TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**



# **THE UNIVERSITY OF KENT ACADEMIES TRUST**

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# THE UNIVERSITY OF KENT ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

D Nightingale (Resigned 12 November 2021)  
K Cox (Appointed 18 February 2021)  
S Davies (Appointed 18 February 2021)  
D Everitt (Resigned 31 October 2020)  
J Wyatt (Resigned 20 October 2021)  
The University of Kent

### Trustees

M Baker Moss  
P Clark  
R Ebanks  
N Ingram  
D Lloyd  
O Martin  
D Nightingale (Chair until 20 October 2021)  
N Oliver  
G Randsley de Moura (Co-Chair from 21 October 2021)  
R Ryan  
J Wyatt (Resigned 20 October 2021)  
R Puri (Resigned 31 August 2021)  
K Lowe (Co-Chair from 21 October 2021) (Appointed 2 November 2020)  
P Storey (Appointed 1 January 2021)  
W Collier (Appointed 20 October 2021)  
M Ojedele (Appointed 29 November 2021)

### Senior management team

|  |                                     |
|--|-------------------------------------|
| - Executive Principal and Accounting Officer | J Rider (Resigned 31 December 2020) |
| - CEO and Accounting Officer                 | P Storey (Appointed 1 January 2021) |
| - Deputy CEO and Executive Principal         | J Best                              |
| - Principal                                  | W Walters                           |
| - Finance Director                           | K Allen                             |

### Company secretary

K Allen

### Company registration number

07185018 (England and Wales)

### Registered office

Brompton Academy  
Marlborough Road  
Gillingham  
Kent  
ME7 5HT

### Academies operated

Brompton Academy

#### Location

Marlborough Road, Gillingham, Kent,  
ME7 5HT

#### Principal

Ms J Best

Chatham Grammar

Rainham Road, Chatham, Kent, ME5  
7EH

Ms W Walters

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Independent auditor**                      RSM UK Audit LLP  
3rd Floor  
Portland  
25 High Street  
Crawley  
West Sussex  
RH10 1BG

**Bankers**                                      HSBC  
231 High Street  
Chatham  
Kent  
ME4 4BQ

**Solicitors**                                   Stone King LLP  
16 St John's Lane  
London  
EC1M 4BS

# **THE UNIVERSITY OF KENT ACADEMIES TRUST**

## **TRUSTEES' REPORT**

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

The University of Kent Academies Trust (UKAT) operates two secondary academies in the South East. Its academies have a combined student capacity of 2,365 and a roll of 2,299 in the census completed in October 2021.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees are also the directors of the charitable company for the purposes of company law. Members of the charitable company are nominated by the Trust's sponsor, the University of Kent.

The Trust became a multi-academy trust on 1 September 2017, with Chatham Grammar joining the Trust on this date. Subsequently the Trust changed its name from Brompton Academy Trust to The University of Kent Academies Trust on 16 January 2018.

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

#### **Members' liability**

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

#### **Trustees' indemnities**

The Trust has opted into the Department for Education's (DfE) 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 the Trust's business, and provides cover up to £10,000,000.

#### **Method of recruitment and appointment or election of Trustees**

Trustees are appointed in accordance with the Articles of Association. New Trustees are given an induction briefing and tour of the academies by the CEO or Principals and the chance to meet staff, students, and the Chair of the Board, with a view to ensuring the Trustee has a good understanding of the Trust's philosophy and its day-to-day operations.

#### **Policies and procedures adopted for the induction and training of Trustees**

The Board of Trustees and CEO believe it is essential that all new Trustees receive a comprehensive induction package covering a broad range of issues and topics. There is a commitment to ensure that the new Trustees are given the necessary information and support to fulfil their role with confidence. This process is seen as an investment, leading to more effective governance and retention of Trustees. In addition, all Trustees benefit from regular training and development.

#### **Principal Activities**

The Trust's objectives are specifically restricted to the following: to advance education and skills in the local area and across the United Kingdom for the public benefit, and in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies that offer a broad-based curriculum, with a strong emphasis on, but in no way limited to, Science and Arts. In addition to further family and community learning, build social mobility and capital, raise the skills profile and regenerate the area.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Organisational structure

The Board of Trustees have overall responsibility for the strategic leadership and direction of the Trust's finances including the General Annual Grant, other Devolved Budgets, and individual academies' Voluntary Funds. The Trustees have adopted a finance policy which defines its approach to the management of the Trust's financial affairs and clarifies the financial roles and responsibilities of staff and Trustees. This encompasses agreeing the membership and terms of reference of the Finance and Staffing Committee and receiving and approving the minutes of Finance and Staffing Committee meetings. The Trustees also define the terms of reference of other committees, including the need to consult with the Finance and Staffing Committee on any issues which have financial implications, where these have not already been budgeted for. Formal tenders for contracted services and major purchases involving expenditure between £100,000 and £250,000 are approved by the Finance and Staffing Committee, expenditure over £250,000 is considered and reviewed by the Board of Trustees. At all times the Trustees and the officers and committee members follow guidelines as laid out in the new Academies Financial Handbook. A register of the financial interests of Trustees and staff with significant influence on financial decisions is maintained. The CEO has delegated responsibilities for the day-to-day operation of financial procedures in the academies and for providing the Trustees and Finance and Staffing Committee with the guidance they need to carry out their strategic roles. The Finance Director has delegated responsibility for the day-to-day operation of the Trust's financial procedures.

### Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for members of the UKAT Strategic Leadership Team (SLT), is determined by a panel of Trustees as part of the annual performance management process. The CEO, Deputy CEO and Executive Principal or Principal (as appropriate) act as advisor(s) to the panel and justification of the decision is recorded on the employee's personal file.

Pay progression is within one of three pay ranges - for Assistant Principal, Vice Principal, UKAT Principals, Deputy CEO and Executive Principal and CEO - and within the corresponding range for those support staff who are members of UKAT SLT. Pay and remuneration for all members of the UKAT Strategic team is determined by a panel of Trustees and approved by the Chair of Trustees.

### Trade union facility time

#### Relevant union officials

Number of employees who were relevant union officials during the relevant period

1

Full-time equivalent employee number

0.40

#### Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

1

#### Percentage of pay bill spent on facility time

Total cost of facility time

18,028

Total pay bill

11,013,685

Percentage of the total pay bill spent on facility time

0.16%

#### Paid trade union activities

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

100%

### Related parties, connected charities and co-operation with other organisations

The University of Kent is our primary sponsor and some of their staff members are on our Board of Trustees. We work on joint initiatives and projects for the benefit of the students.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### **Streamlined energy and carbon reporting**

This content is included under that heading within the strategic report section.

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

UKAT's intent is to form and maintain open, honest and strong relationships with our suppliers. Building these relationships supports good supply arrangements which benefit both the Trust (and its academies) and the suppliers we utilise. Our aim is to be supplied with the goods and services we need at the best value. Our aim is to form strong partnerships with a smaller number of suppliers. This offers better value for money and allows us to focus on quality and reliability of service whilst benefitting from economies of scale. Our procurement procedures ensure suppliers are offered fair, open and transparent ways to bid for larger purchases.

The facilities at our academies are utilised by many community groups to offer leisure and recreation activities to the local community. UKAT views these relationships as a true partnership and invests in building these relationships, for example, the Trust employs a Community team and a Sports Development Officer.

### **Engagement with employees**

As a Trust we communicate regularly with staff through various regular calendared meetings, through line management meetings, weekly staff bulletins, biweekly briefings, and weekly newsletters and all staff emails. Staff Development days are also used to share information and receive feedback from staff. Views of staff are aired through 'staff voice' meetings where staff representing departments and areas within the academies can raise and put forward ideas, comments and views on matters about working within the Trust. These meetings are typically chaired by the Principal of each academy. The Trust climate is such that staff are encouraged to speak to any member of SLT with views and opinions at any time. Where significant changes affecting jobs or pay are being proposed, consultation with staff and recognised trade unions takes place.

Performance data and information at UKAT is wholly shared with staff – all staff have open access to SMID –our data information system for sharing exam performance across the Trust. This normally takes place following public examinations results and publication of any school performance data. Small group discussions are held with all subject area staff to agree improvements and the way forward. The Academy Improvement Plans are shared with all staff and they are asked to contribute towards identifying areas for development ways to improve.

UKAT is an inclusive and diverse workforce, promoting equality of opportunity and access for all, with all applications and appointments for roles and promotions, both internal and external considered on merit.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and aims**

The Sponsor's vision is to establish a sense of a wide learning community, driven through the educational pursuits of the Trust's academies, where young people and community members can develop high level skills required for employability within the region, so bridging the deficit in skills which has deterred larger employers from locating into the area. The Trust will make a massive contribution to the economic development of the region by securing a highly competent and socially adept workforce allowing the relocation of large businesses and industries to the area ensuring its future success.

The vision is driven by the belief that to effect transformational change in standards for the long term, and build a sustainable Trust with community cohesion, the Trust will need to influence and shift the prevalent culture and directly impact on a range of factors which include value systems, aspirations, class, social and economic status and health inequalities. This will only be achieved by breaking traditional patterns of educational delivery through new learning pedagogies and the University sees itself as pivotal to effecting such change. It is our belief that all students and their families can benefit from exposure to that which a University has to offer.

The strength and effectiveness of the Trust's leadership and management, along with excellent teaching and high aspirations for every student, will ensure the success of the Trust, producing confident, capable and respectful young people who are fully prepared for the future.

# **THE UNIVERSITY OF KENT ACADEMIES TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

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### **Public benefit**

The Trust actively engages with other education establishments, community groups and work-based providers to widen participation and experience for our students and students in other academies. Examples of this are regular meetings with other Medway secondary schools and academies, cross curricular projects with HE institutions to raise aspirations.

The Trust has an extensive Community learning programme bringing in over 1,000 adult learners and through its specialisms delivers learning programmes to primary school students.

Sports Clubs utilise the facilities at the academies within the Trust to participate in a range of sports. The Trust promotes sports in the community through full membership of the local Sports Partnership and through its own Community Sports Programme. A member of staff spends one day per week in outreach work. The Trust is active in promoting citizenship on a local, national and international level. Children are engaged in charity fundraising for many charities.

The Trustees have also had due regard to the guidance on public benefit, as published by the Charity Commission.

### **STRATEGIC REPORT**

#### **Achievements and performance**

##### **Brompton Academy**

In 2021, 59% of students achieved a Grade 4 or above in both English and Maths (2020: 57%), which was an improvement on the previous year. Brompton Academy's Progress 8 score improved to +0.21, which is considered to be broadly in line with the national average, and above average for the average progress scores of all Kent and Medway non-selective scores combined, which is positive when taking in to account the high proportion of disadvantaged students on the BA roll. Student progress and attainment in English and Maths improved in 2021. Student's with Special Educational Needs and/or disabilities were a significant focus in 2020/21, which again resulted in overall improvements in their progress and attainment. A high proportion of students are from disadvantaged backgrounds and the gap between disadvantaged students and others was smaller than in the previous year. These are continued areas of focus in 2021/22, together with Higher Prior Attainers.

In the Sixth Form, students made better than expected progress in 6th Form A Level subjects and in Applied General qualifications, taking into account their GCSE starting points. The performance in A levels and Applied general qualifications was broadly in line with the previous year.

Although staff recruitment and retention issues remain challenging, as they are nationally, the quality of teaching remained good in 2020/21.

Brompton Academy achieved a 'good' rating from Ofsted in February 2017.



# THE UNIVERSITY OF KENT ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### **Chatham Grammar**

In 2021, 100% of students achieved a Grade 4 or above in both English and Maths GCSEs (2020: 100%), which was in line with the previous year. The proportion of students achieving Grade 5 or above in English and Maths was 95% (2020: 94%), broadly in line with the previous year.

The previously impressive Progress 8 performance for Chatham Grammar was maintained. Progress 8 was 1.00, which was broadly in line with the previous year. The score is considered to be significantly above average and already takes into account students' higher Ket Stage 2 starting points. English, Maths and science GCSE performance improved significantly in 2020, as well as Higher Prior Attainers across the curriculum. The progress of Higher Prior Attainers and Disadvantaged students remains a clear focus in 2021/22.

In the Sixth Form, students made better than expected progress in 6th Form A Level subjects and in Applied General qualifications, taking into account their GCSE starting points. The performance in A Levels and Applied General qualifications was broadly in line with the previous year.

Attendance and attitudes of students are a significant strength.

Good quality of teaching was maintained in 2020.

Chatham Grammar achieved a 'good' rating from Ofsted in May 2018.

### **Promoting the success of the Trust**

The Trustees act in a way most likely to promote the success of the Trust to achieve its objectives. The likely consequences of decisions in the long term are considered through options appraisal and longer term strategic and financial planning. The employees of the Trust are considered our biggest resource, engagement with employees, earlier in the report sets out more detail. The Trust fosters strong relationships with parents, carers and students. This is developed through regular, open and transparent communication and through Pastoral staff supporting our students and families. Business relationships with suppliers are developed through fair and transparent purchasing processes and ensuring terms and conditions are adhered to, such as payment terms. UKAT's charitable objectives are focused on the wider community, specifically to advance education and skills in the local area and across the United Kingdom for the public benefit. The Trust has a strong emphasis on family and community learning, aiming to build social mobility and capital, raise the skills profile and regenerate the area. High standards of business conduct are maintained through strong recruitment and induction procedures. The Trust have a code of conduct in place to set expectations and ensure consistency.

### **Financial review**

Most of the Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE 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. In accordance with the Charities SORP 2019, 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.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

During the year ended 31 August 2021, the operating deficit (restricted general funds and unrestricted funds, excluding the pension reserve) was £52,000 (2020: operating deficit £492,000). This excludes actuarial losses of £1,179,000 (2020: losses of £181,000) for the year on the defined benefit Local Government Pension Scheme.

The Trust held the following reserves (excluding pension reserve) at 31 August 2021:

|                                  | 2021<br>£'000 | 2020<br>£'000 |
|----------------------------------|---------------|---------------|
| <b>Restricted general funds:</b> |               |               |
| General Annual Grant             | 526           | 153           |
| Catch-up premium                 | 58            | -             |
| Other restricted funds           | -             | 85            |
| <b>Unrestricted funds:</b>       |               |               |
| General funds                    | 478           | 305           |
| <b>Total reserves held</b>       | <b>1,062</b>  | <b>543</b>    |

At 31 August 2021, the net book value of fixed assets was £35,381,000 (2020: £33,388,000). Movements in intangible fixed assets are shown in note 14 with tangible fixed assets shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students.

### Financial and Risk Management Objectives and Policies

The Trust has sought to identify risks and taken action to reduce the probability of them materialising and/or to limit their impact. The risk management policy includes items such as transferring the risk, reducing the probability of risk and limiting the impact of risk. Some of the main risks identified were: local authority changes in Special Educational Needs (SEN) policy, unable to recruit suitably qualified and experienced staff to deliver the planned curriculum, failure to comply with financial legislative requirements, building structures. A full risk management policy and register is held, and all risks and action plans reviewed.

### Responding to the Coronavirus pandemic

The coronavirus pandemic significantly impacted both academies within UKAT, but we were able to respond positively and at speed to meet our students' educational needs. After students returned to on-site learning, an effective catch-up programme was implemented and this is ongoing. The impact of this catch-up work has yet to be evaluated.

All students at Brompton Academy have access to one-to-one iPads with only some year groups at Chatham Grammar. In the event of further lockdowns, technology will be employed to provide online lessons and small group Sixth Form mentoring from our University of Kent and the use of technology has been maintained for parent/carers consultations and small group Sixth Form mentoring from our University of Kent ambassadors. Parent/carers consultations will also be conducted remotely.

Trustees have remained in contact throughout the pandemic and continued via virtual meetings to stay in touch. The Finance Director has kept a close eye on budgeting and ensuring resources have been available to meet the needs to keep our academies safe and compliant. The pandemic has brought out the best in our community of learners, parents/carers and staff and Trustees. It has been a co-operative effort and has demonstrated the power of our ethos within the school and that education is more than exam results - it has shown we truly meet our charitable objectives and deliver value for money even through a pandemic.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The overall accounts show total funds of £26,522,000 to date.

However, there is still a deficit in the Local Government Pension Scheme which amounts to £10,017,000. This does not mean that an immediate liability for this amount crystallises. The Trust is confident that it can meet contributions from projected future income without significant impact on its planned levels of charitable activity during the next 12 months. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### Reserves policy

The policy of the Trustees is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Trust whilst ensuring that excessive funds are not accumulated. The Trustees are satisfied that the Trust's reserves are sufficient for its current purposes. The reserves as at 31 August 2021 amounted to a surplus of £26,522,000 (2020: £26,358,000). This includes a surplus on the restricted general funds of £36,061,000 (2020: £34,103,000). There is a pension fund deficit of £10,017,000 (2020: £8,050,000). Please see the Statement of Financial Activities on page 25 for more detail.

### Investment policy

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

### Key performance indicators

The Trustees monitor and review the following Key Performance Indicators for the Trust:

- Ofsted inspection outcomes
- Student outcomes and progress (discussed above)
- Student numbers
- Student attendance as a percentage
- Spend on staff costs as a percentage of funding from ESFA/DfE
- Spend on staff costs as a percentage of total funding
- Staff turnover

#### Ofsted inspection outcomes

Brompton Academy  
Chatham Grammar

Good (February 2017)  
Good (May 2018)

#### Student numbers/capacity

2299/2365 (2020: 2249/2365)

#### Student attendance as a percentage

Brompton Academy  
Chatham Grammar

91.8% (2020: 95.1%)  
96.1% (2020: 97.0%)

#### Spend on staff costs as a percentage of funding from ESFA/DfE

79% (2020: 84%)

#### Spend on staff costs as a percentage of total funding

75% (2020: 81%)

#### Staff turnover

23.38% (2020: 7.07%)

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Plans for future periods

The Trust remains committed to its vision as outlined in the original Expression of Interest and as such has clear priorities for the future:

- Ensuring that students affected by the Coronavirus endemic are provided with the resources and catch-up opportunities to ensure their potential is secured and their futures are not disadvantaged.
- Reviewing, developing and embedding changes to the curriculum – with its emphasis on sequencing of learning, as required by the revised Ofsted accountability measures and further embedding changes brought in by the new public exam system – ensuring students are prepared for the linear nature of exams, and staff are trained to deliver new schemes of work in the new GCSEs and Sixth Form courses.
- Revising and considering changes to the curriculum to meet the future needs of progression routes into the local economy.
- Continue to develop the new University of Kent Academies Trust post 16 provision, joining together the Brompton Academy and Chatham Grammar current Sixth Forms, attracting external candidates, and directly linking it to the new UKAT Medical School Hub to be established in Medway via a future Free School application.
- To explore bringing more schools into the Trust, or merge with other trusts, to achieve economies of scale in backroom functions and raise standards further.
- To continue with our University sponsor to develop more accessible level three and degree learning pathways for our parents/carers through affordable and flexible community learning programmes.
- To continue to support the healthy development of our citizens by developing a sports strategy across the Trust and local community, developing sports and leisure programmes utilising all our new facilities and the undergraduate sport science ambassadors as coaches.
- To maximise income through a marketing strategy for the use of the Trust's buildings.
- To submit bids to the Condition Improvement Fund for the continued development of the facilities at Chatham Grammar for the benefit of our students.
- To develop a new vision and future for the Brompton Academy Eliot SEN Communications Centre.

### Principal risks and uncertainties

A Risk Register is maintained and reviewed annually. Serious risks identified are reviewed more regularly by the Finance and Staffing Committee. The main risks that the Trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans:

#### Strategic and Reputational

This covers main categories of risk including profile, strategic and organisation. Sub-categories of risk included are failure to ensure that objectives of the Trust are met, unfavourable Ofsted report, fraud, long term demand on Trust services, natural disaster covering an uncontrollable event occurring, technology and information security, local authority SEN policy changes, resources pressure with additional students and failure to generate income for future proofing the IT across the Trust. Impact of the coronavirus on standards across all year groups which may impact on our league table position, reputation and popularity. Other areas include delegation authorities appropriate for the Trust and new initiatives detracting management from core business objectives. Risks are mitigated through regular policy and procedural reviews. The Trust has invested in marketing and community engagement. Other risks are mitigated through external compliance reviews and long-term budget planning. Other risks include imminent change of Chair of Trustees and CEO leading to potential uncertainty.

#### Operational Risk

This covers main categories of risk including management information and human resources. Items under this category include the following possibilities:

Impact of the Coronavirus on the ability to deliver a quality learning provision to students which in turn will impact on standards and results. Quality of information produced for Trustees is not accurate, leadership and management issues leading to inexperienced Trustees and strategic gaps within key personnel in the Trust, inability to recruit suitably qualified and experienced staff due to national recruitment shortages. Risks are mitigated through regular reviews of management information by Trustees, completion of skills audits by Trustees, continual training and succession planning, implementation of a recruitment strategy including financial incentives for new staff in shortage subjects alongside relationships with recruiters and supply agencies. The Trust has created an innovative Teacher Training Programme to recruit and retain staff in shortage areas.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Compliance Risk

This covers main categories of risk including noncompliance of legislative requirements regarding employment law and Health and Safety. Noncompliance with financial legislation of the ESFA and Charities Act, welfare and child protection legislation, local authority and central government grant, data protection and General Data Protection Regulation. Risks are mitigated through investment in training and employing suitably qualified staff with set responsibilities covering legislations. Policies and procedures are regularly reviewed, internal compliance is checked periodically, and additional external expert advice is sought when required. All DfE deadlines are met and up to date manuals are followed.

### Financial Risk

The financial risks associated with the Trust include the risk of the Trust not operating within its budget and running a deficit, (this could be due to changes in funding that are not reacted to in a timely manner), deficits on the local government pension scheme, inappropriate or insufficient financial controls and systems, fraudulent activity within the Trust and or financial commitments made without adequate authorisation. Additional expenditure above that set due to the impact of the coronavirus and the necessary requirements to comply with Health and Safety. Further financial risks are not identifying related party transactions and restricted income being used for purposes other than the restriction. Risks are mitigated through medium to long term financial projections with regular management accounts produced, commissioning of independent audits, investment in accountancy systems and policy review to ensure adequate controls are in place and regular Trustee meetings.

### Academy Specific Risk

The Trust also monitors risks that are specific to individual academies within the Trust. These risks are mitigated through a rigorous process of planning and prioritisation. Plans are drawn together in the UKAT individual Academy Improvement Plans, which are approved and monitored by the Board of Trustees.

### Fundraising

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

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### Streamlined energy and carbon reporting

|  | 2021<br>kWh           | 2020<br>kWh           |
|--|-----------------------|-----------------------|
| <i>Energy consumption</i>                            |                       |                       |
| Aggregate of energy consumption in the year          | 3,021,452             | 3,401,600             |
|  |                       |                       |
|  | 2021<br>metric tonnes | 2020<br>metric tonnes |
| <i>Emissions of CO2 equivalent</i>                   |                       |                       |
| Scope 1 - direct emissions                           |                       |                       |
| - Gas combustion                                     | 425.24                | 507.11                |
| - Fuel consumed for owned transport                  | 1.35                  | 1.11                  |
|  | 426.59                | 508.22                |
| Scope 2 - indirect emissions                         |                       |                       |
| - Electricity purchased                              | 144.11                | 148.41                |
| Scope 3 - other indirect emissions                   |                       |                       |
| - Fuel consumed for transport not owned by the Trust | 3.84                  | 0.32                  |
|  | 574.54                | 656.95                |
|  |                       |                       |
| <i>Intensity ratio</i>                               |                       |                       |
| Tonnes CO2e per pupil                                | 0.25                  | 0.29                  |

### 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 2021 UK Government's Conversion Factors for Company Reporting.

### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

### Measures taken to improve energy efficiency

We have invested in capital improvements to improve energy efficiency, including a new roof at Chatham Grammar and installing energy efficient light fittings.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

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### AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

### Statement as to disclosure of information to auditor

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

The Trustees' Annual report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as directors at its meeting on 15 December 2021 and signed on its behalf by:

G Randsley de Moura  
G Randsley de Moura (Dec 16, 2021 15:48 GMT)

G Randsley de Moura  
Co-Chair

KIM LOWE  
Kim LOWE (Dec 16, 2021 07:41 GMT)

K Lowe  
Co-Chair

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## GOVERNANCE STATEMENT

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### Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The University of Kent Academies 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.

The Board of Trustees has delegated the day-to-day responsibility to Philip Storey, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the master and supplementary funding agreements between The University of Kent Academies 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.

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

### 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 four times during the year. Attendance during the year at meetings of the Trustees was as follows:

| Accounting Officer | Meetings attended | Out of possible |
|--------------------|-------------------|-----------------|
| J Rider            | 2                 | 3               |

| Trustees   | Meetings attended | Out of possible |
|--|-------------------|-----------------|
| M Baker Moss   | 6                 | 6               |
| P Clark  | 5                 | 6               |
| R Ebanks   | 6                 | 6               |
| N Ingram   | 6                 | 6               |
| D Lloyd  | 4                 | 6               |
| O Martin   | 6                 | 6               |
| D Nightingale (Chair until 20 October 2021)                        | 4                 | 6               |
| N Oliver   | 6                 | 6               |
| G Randsley de Moura (Co-Chair from 21 October 2021)                | 5                 | 6               |
| R Ryan   | 5                 | 6               |
| J Wyatt (Resigned 20 October 2021)                                 | 6                 | 6               |
| R Puri (Resigned 31 August 2021)                                   | 6                 | 6               |
| K Lowe (Co-Chair from 21 October 2021) (Appointed 2 November 2020) | 4                 | 5               |
| P Storey (Appointed 1 January 2021)                                | 3                 | 3               |
| W Collier (Appointed 20 October 2021)                              | 0                 | 0               |
| M Ojedele (Appointed 29 November 2021)                             | 0                 | 0               |

The composition of the Board of Trustees was reviewed in September 2017 as part of the transition from standalone academy trust to multi-academy Trust. The Articles of Association set out the number of Trustees appointed by the University of Kent, Co-opted Staff and Parent Trustees.

The Board of Trustees are currently undertaking a governance review.

The Board of Trustees receive detailed reports from the CEO and other members of the Strategic Leadership to consider and evaluate.



# THE UNIVERSITY OF KENT ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

The Finance and Staffing Committee is a sub-committee of the main Trustees. Its purpose is to consider and approve matters relating to financial and staffing issues.

Management information is provided by the Finance Director, HR Manager and other staff members for the committee's consideration and evaluation. This is supported by external advice or validation when appropriate.

### Finance and Staffing

| Accounting Officer                          | Meetings attended | Out of possible |
|---|-------------------|-----------------|
| J Rider                                     | 1                 | 2               |
| Trustees                                    | Meetings attended | Out of possible |
| P Clark                                     | 6                 | 7               |
| N Ingram                                    | 7                 | 7               |
| D Nightingale (Chair until 20 October 2021) | 5                 | 7               |
| J Wyatt (Resigned 20 October 2021)          | 7                 | 7               |
| P Storey (Appointed 1 January 2021)         | 5                 | 5               |

### Review of value for money

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

The Accounting Officer considers how the Trust uses its resources and 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 available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- **Improving educational results**

The complete change in the exam system nationally makes year on exam data comparability impossible. Academic progress levels at Brompton Academy showed to be in the middle of schools nationally for student progress at both GCSE and A level and exceeding the government's floor target for schools. The percentage of students achieving grades 9 to 4 (old A\*-Cs) in English and Maths was 59% (2020: 43%).

Full details are available on the Brompton Academy's website: [www.bromptonacademy.org.uk](http://www.bromptonacademy.org.uk).

At Chatham Grammar the progress levels improved and exceeded the Medway average for grammar schools.

UKAT academies benefit from extensive quality assurance systems to monitor, track and improve standards in both schools. Reporting to parents/carers is completed three times a year. Data is collected following robust assessments in all subjects twice a year. This data is collated, analysed and disseminated to enable all leaders, teachers and support staff to identify underperformance and address issues accordingly.

Trustees, together with the Strategic Leadership team, continually self-evaluate using a range of data, and revise the UKAT Academies Improvement Plans accordingly to ensure it is dynamic and relevant - ensuring the Academies are focused on key priorities to further the Trust's aims.

The new strategic leadership team structure working across the two UKAT academies has improved teaching and learning and student outcomes.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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The academies actively engage with other education establishments and work based providers to widen participation and experience for our students and students in other academies. Examples of this are regular meetings with other Medway secondary schools and academies. UKAT academies also participate in informal arrangements with other local schools to positively manage student behaviour and have reciprocal arrangements with Strood Academy and other local schools to educate excluded students.

The last Ofsted report of February 2017 rated Brompton Academy as 'Good' in all Inspection Judgements. Full details are available from the Academy website as above.

The last Ofsted report of May 2018 rated Chatham Grammar as good in all inspection judgements bar the old Sixth Form provision which was rated as requiring improvement. This Sixth Form has now been replaced by the new UKAT Sixth Form which opened in September 2018.

- **Financial governance and oversight**

The Trust has an internal audit service provided by UHY Hacker Young Chartered Accountants. The service reviews the financial systems and procedures that are in place and reports to the Board of Trustees.

The Finance and Staffing Committee receive termly financial reports.

The Board of Trustees approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Trust's academies remain 'going concerns'. The Board of Trustees also receives and approves the Annual Accounts and the External Auditors' Management Report.

The Finance and Staffing Committee has carefully monitored the budget and taken action to address the inherited deficit held by Chatham Grammar.

- **Better purchasing – ensuring value for money**

Contracts and services are regularly appraised and renegotiated when appropriate to ensure value for money.

The Trust manages procurement on large service contracts centrally i.e. catering, internet providers, IT Procurement, to maximise the collective spending power of the UKAT academies.

The Trust always gets three quotes where possible. In exceptional circumstances when it is not possible to get three the reason is recorded.

The Trust always assesses the cost and benefits of various options before making a decision to ensure the right option for the longer term.

- **Maximising income generation**

The Trust explores every opportunity to generate income through hire of the academies facilities and running a variety of courses available to the local community.

Brompton Academy has an extensive Community learning programme bringing in over 1,000 adult learners and through its specialisms delivers learning programmes to primary school students. The programme is embryonic at Chatham Grammar.

Sports Clubs utilise the facilities at both academies to participate in a range of sports. The Trust promotes sports in the community through full membership of the local Sports Partnership and through its own Community Sports Programme. A member of staff spends one day per week in outreach work. The Trust is active in promoting citizenship on a local, national and international level. Children are engaged in charity fundraising for many charities.

The Trust is proactive in sourcing and securing additional grant funding for specific projects which benefit our students and the wider community. An example from this year is the KCC Grant to open school facilities which contributed £9,800 towards offering sports clubs after school and during the holidays for our students and the wider community.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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- **Reviewing controls and managing risks**

Budget monitoring reports are produced and reviewed by Trustees, the CEO and the Finance Director and any necessary remedial action is taken to address any significant variances that may have an impact on the budget out-turn.

The Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential.

### **The purpose of the system of internal control**

The system of internal control is designed to follow good practice and self-assessment, and to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The University of Kent Academies Trust for the year ended 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Staffing 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;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to buy-in an internal audit service from UHY Hacker Young Chartered Accountants. The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial and other systems. In particular, the checks carried out in the current period included:

- testing payroll systems;
- testing of purchase systems;
- testing of procedures to manage the bank accounts and cash;
- testing of balance sheet reconciliations;
- review of reporting;
- review of HR processes including new starters, induction, exit interviews;
- review of development opportunities and training.

On an annual basis, the auditor reports to the Board of Trustees, through the Finance and Staffing Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. The internal auditor's schedule of work has been carried out by UHY Hacker Young Chartered Accountants in accordance with the ESFA's requirements.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### Review of effectiveness

As Accounting Officer, Philip Storey 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 financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on 15 December 2021 and signed on its behalf by:

G Randsley de Moura  
G Randsley de Moura (Dec 16, 2021 15:48 GMT)

G Randsley de Moura  
Co-Chair

KIM LOWE  
Kim LOWE (Dec 16, 2021 07:41 GMT)

K Lowe  
Co-Chair

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

Philip Storey

Philip Storey (Dec 16, 2021 16:33 GMT)

P Storey

**Accounting Officer**

15 December 2021

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements 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; and
- 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 15 December 2021 and signed on its behalf by:

G Randsley de Moura  
G Randsley de Moura (Dec 15, 2021 15:48 GMT)

G Randsley de Moura  
Co-Chair

KIM LOWE  
Kim LOWE (Dec 15, 2021 07:41 GMT)

K Lowe  
Co-Chair

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSITY OF KENT ACADEMIES TRUST**

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### **Opinion**

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

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSITY OF KENT ACADEMIES TRUST (CONTINUED)**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of Trustees**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSITY OF KENT ACADEMIES TRUST (CONTINUED)**

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

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

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

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

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

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

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

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSITY OF KENT ACADEMIES TRUST (CONTINUED)**

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### **Use of our report**

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

*Dominic Blythe*

Dominic Blythe (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3rd Floor  
Portland  
25 High Street  
Crawley  
West Sussex, RH10 1BG

.....  
17/12/21

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

|   |       | Unrestricted<br>Funds | Restricted<br>General<br>Funds | Restricted<br>Fixed Asset<br>Funds | Total<br>2021 | Total<br>2020 |
|---|-------|-----------------------|--------------------------------|------------------------------------|---------------|---------------|
|   | Notes | £'000                 | £'000                          | £'000                              | £'000         | £'000         |
| <b>Income and endowments from:</b>              |       |                       |                                |                                    |               |               |
| Donations and capital grants                    | 3     | -                     | 16                             | 2,568                              | 2,584         | 2,088         |
| <b>Charitable activities:</b>                   |       |                       |                                |                                    |               |               |
| - Funding for educational operations            | 4     | 378                   | 14,167                         | -                                  | 14,545        | 13,021        |
| Other trading activities                        | 5     | 37                    | -                              | -                                  | 37            | 56            |
| Investments                                     | 6     | -                     | -                              | -                                  | -             | 5             |
| <b>Total</b>                                    |       | <b>415</b>            | <b>14,183</b>                  | <b>2,568</b>                       | <b>17,166</b> | <b>15,170</b> |
| <b>Expenditure on:</b>                          |       |                       |                                |                                    |               |               |
| <b>Charitable activities:</b>                   |       |                       |                                |                                    |               |               |
| - Educational operations                        | 8     | 188                   | 14,459                         | 1,173                              | 15,820        | 15,463        |
| <b>Total</b>                                    | 7     | <b>188</b>            | <b>14,459</b>                  | <b>1,173</b>                       | <b>15,820</b> | <b>15,463</b> |
| <b>Net income/(expenditure)</b>                 |       | <b>227</b>            | <b>(276)</b>                   | <b>1,395</b>                       | <b>1,346</b>  | <b>(293)</b>  |
| Transfers between funds                         | 20    | (54)                  | (163)                          | 217                                | -             | -             |
| <b>Other recognised gains/(losses)</b>          |       |                       |                                |                                    |               |               |
| Actuarial losses on defined benefit obligations | 27    | -                     | (1,179)                        | -                                  | (1,179)       | (181)         |
| <b>Net movement in funds</b>                    |       | <b>173</b>            | <b>(1,618)</b>                 | <b>1,612</b>                       | <b>167</b>    | <b>(474)</b>  |
| <b>Reconciliation of funds</b>                  |       |                       |                                |                                    |               |               |
| Total funds brought forward                     |       | 305                   | (7,812)                        | 33,865                             | 26,358        | 26,832        |
| Total funds carried forward                     |       | 478                   | (9,430)                        | 35,477                             | 26,525        | 26,358        |

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2021

|   |       | 2021          | 2020          |
|---|-------|---------------|---------------|
|   | Notes | £'000         | £'000         |
| <b>Fixed assets</b>   |       |               |               |
| Tangible assets   | 15    | 35,381        | 33,388        |
| <b>Current assets</b>   |       |               |               |
| Debtors   | 16    | 1,261         | 898           |
| Cash at bank and in hand  |       | 1,142         | 1,694         |
|   |       | <u>2,403</u>  | <u>2,592</u>  |
| <b>Current liabilities</b>  |       |               |               |
| Creditors: amounts falling due within one year                    | 17    | (1,242)       | (1,411)       |
| <b>Net current assets</b>   |       | <u>1,161</u>  | <u>1,181</u>  |
| <b>Total assets less current liabilities</b>                      |       | <u>36,542</u> | <u>34,569</u> |
| Creditors: amounts falling due after more than one year           | 18    | -             | (161)         |
| <b>Net assets before defined benefit pension scheme liability</b> |       | <u>36,542</u> | <u>34,408</u> |
| Defined benefit pension scheme liability                          | 27    | (10,017)      | (8,050)       |
| <b>Total net assets</b>   |       | <u>26,525</u> | <u>26,358</u> |
| <b>Funds of the Trust:</b>  |       |               |               |
| <b>Restricted funds</b>   | 20    |               |               |
| - Restricted fixed asset funds                                    |       | 35,477        | 33,865        |
| - Restricted income funds   |       | 587           | 238           |
| - Pension reserve   |       | (10,017)      | (8,050)       |
| <b>Total restricted funds</b>                                     |       | <u>26,047</u> | <u>26,053</u> |
| <b>Unrestricted income funds</b>                                  | 20    | <u>478</u>    | <u>305</u>    |
| <b>Total funds</b>  |       | <u>26,525</u> | <u>26,358</u> |

The financial statements on pages 25 to 52 were approved by the Board of Trustees and authorised for issue on 15 December 2021 and are signed on their behalf by:

G Randsley de Moura  
G Randsley de Moura (Director, 2021 to Present)

G Randsley de Moura  
Co-Chair

KIM LOWE  
KIM LOWE (Director, 2021 to Present)

K Lowe  
Co-Chair

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

|   | Notes | 2021<br>£'000 | 2020<br>£'000 |
|---|-------|---------------|---------------|
| <b>Cash flows from operating activities</b>   |       |               |               |
| Net cash used in operating activities   | 24    | (23)          | (82)          |
| <b>Cash flows from investing activities</b>   |       |               |               |
| Dividends, interest and rents from investments                                      |       | -             | 5             |
| Capital grants from DfE Group   |       | 2,568         | 2,070         |
| Purchase of tangible fixed assets   |       | (3,077)       | (1,132)       |
| Proceeds from sale of tangible fixed assets   |       | -             | 1             |
| <b>Net cash (used in)/provided by investing activities</b>                          |       | (509)         | 944           |
| <b>Cash flows from financing activities</b>   |       |               |               |
| Repayment of government loan  |       | (20)          | -             |
| <b>Net cash used in financing activities</b>  |       | (20)          | -             |
| <b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b> |       | (552)         | 862           |
| Cash and cash equivalents at beginning of the year                                  |       | 1,694         | 832           |
| <b>Cash and cash equivalents at end of the year</b>                                 |       | <u>1,142</u>  | <u>1,694</u>  |

# THE UNIVERSITY OF KENT ACADEMIES TRUST

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

---

### 1 Accounting policies

#### General information

The University of Kent Academies Trust is a charitable company limited by guarantee. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

#### Basis of preparation

The financial statements of the Trust have been prepared under the historical 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 financial statements 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.

The Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

#### Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. This year, particular consideration has been given to the impact of COVID-19 and possible future implications. The Trust prepares three-year forecasts and undertake sensitivity analysis on key assumptions made such as student number forecasts. The Trustees have made this assessment in respect of a period to 31 August 2024 and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

#### Income

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

#### Grants

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

GAG is recognised in full in the Statement of Financial Activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

#### 1 Accounting policies (Continued)

##### Donations

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

##### Other income

Other income, including the hire of facilities, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the Trust has provided the goods or services.

##### Donated fixed assets

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

##### Transfer of assets from existing academies

Where assets and liabilities are received on the transfer of an existing academy into the Trust, the transferred net assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

##### Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

##### 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Charitable activities

These are costs incurred on the Trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

##### Governance costs

These are the costs of governance arrangements relating to the general running of the Trust. These costs are included within the Trust's charitable activities and apportioned amongst each activity on a reasonable basis.

##### Short term employee benefits

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies (Continued)

#### Intangible fixed assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

|                             |                       |
|-----------------------------|-----------------------|
| Purchased computer software | 3 years straight line |
|-----------------------------|-----------------------|

#### Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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 so as to write off the cost of assets less their residual values over their useful lives on the following bases:

#### Land and buildings:

|                     |                            |
|---------------------|----------------------------|
| Freehold land       | Not depreciated            |
| Freehold buildings  | Between 10 and 50 years    |
| Leasehold land      | Over the life of the lease |
| Leasehold buildings | 2% pa straight line        |

|                                  |                         |
|----------------------------------|-------------------------|
| Leasehold Improvements           | 2% pa straight line     |
| Computer equipment               | 33% pa straight line    |
| Fixtures, fittings and equipment | 25% pa straight line    |
| Motor vehicles                   | 20% pa reducing balance |

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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

#### Liabilities

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



# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies (Continued)

##### **Leased assets**

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

##### **Financial instruments**

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

##### **Financial assets and liabilities**

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

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

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **Derecognition of financial assets and liabilities**

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

##### **Taxation**

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### **Pensions benefits**

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

#### 1 Accounting policies (Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately. 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 reporting date. The amounts charged to net income 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 as other comprehensive income. Actuarial gains and losses are recognised immediately as other comprehensive income.

#### **Fund accounting**

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

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

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

#### **Agency Arrangements**

The Trust acts as an agent in the administering 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. An allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

#### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 3 Donations and capital grants

|                 | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>2021<br>£'000 | Total<br>2020<br>£'000 |
|-----------------|--------------------------------|------------------------------|------------------------|------------------------|
| Capital grants  | -                              | 2,568                        | 2,568                  | 2,070                  |
| Other donations | -                              | 16                           | 16                     | 18                     |
|                 | <u>-</u>                       | <u>16</u>                    | <u>16</u>              | <u>18</u>              |
|                 | <u>-</u>                       | <u>2,584</u>                 | <u>2,584</u>           | <u>2,088</u>           |

The income from donations and capital grants was £2,584,000 (2020: £2,088,000) of which £16,000 was restricted (2020: £18,000) and £2,568,000 was restricted fixed assets (2020: £2,070,000).

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 4 Funding for the Trust's educational operations

|   | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>2021<br>£'000 | Total<br>2020<br>£'000 |
|---|--------------------------------|------------------------------|------------------------|------------------------|
| <b>DfE / ESFA grants</b>                            |                                |                              |                        |                        |
| General annual grant (GAG)                          | -                              | 12,483                       | 12,483                 | 11,337                 |
| Other DfE / ESFA grants:                            |                                |                              |                        |                        |
| - Pupil premium                                     | -                              | 536                          | 536                    | 594                    |
| - Teachers' Pay Grant                               | -                              | 152                          | 152                    | 146                    |
| - Teachers' Pension Employer Contribution Grant     | -                              | 430                          | 430                    | 410                    |
| - Others  | -                              | 140                          | 140                    | 149                    |
|   | -                              | 13,741                       | 13,741                 | 12,636                 |
| <b>Other government grants</b>                      |                                |                              |                        |                        |
| Local authority grants                              | -                              | 22                           | 22                     | -                      |
| Special educational projects                        | -                              | 189                          | 189                    | 130                    |
|   | -                              | 211                          | 211                    | 130                    |
| <b>COVID-19 additional funding (DfE / ESFA)</b>     |                                |                              |                        |                        |
| Catch-up premium                                    | -                              | 169                          | 169                    | -                      |
| Other DfE / ESFA COVID-19 funding                   | 71                             | 33                           | 104                    | -                      |
|   | 71                             | 202                          | 273                    | -                      |
| <b>COVID-19 additional funding (non-DfE / ESFA)</b> |                                |                              |                        |                        |
| Other non-DfE / ESFA COVID-19 funding               | -                              | 3                            | 3                      | -                      |
|   | -                              | 3                            | 3                      | -                      |
| <b>Other incoming resources</b>                     | 307                            | 10                           | 317                    | 255                    |
|   | 378                            | 14,167                       | 14,545                 | 13,021                 |

The income from funding for educational operations was £14,545,000 (2020: £13,021,000) of which £378,000 was unrestricted (2020: £117,000) and £14,167,000 was restricted (2020: £12,904,000).

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the DfE and ESFA, the Academy Trust's funding for Pupil Premium, Teachers' Pay Grant and Teachers' Pension Employer Contribution Grant is no longer reported within the Other DfE group grants line item, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 4 Funding for the Trust's educational operations (Continued)

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under exceptional government funding.

The Trust received £71,000 (2020: £nil) of funding for COVID-19 mass testing and costs incurred in respect of this funding were £71,000 (2020: £nil). The Trust received further £16,000 (2020: £nil) for coronavirus exceptional support and staff related costs incurred in respect of this were £16,000 (2020: £nil).

The Academy Trust received £169,000 (2020: £nil) of funding for Catch-up Premium and costs incurred in respect of this funding totalled £111,000 (2020: £nil), with the remaining £58,000 (2020: £nil) to be spent in 2021/22.

#### 5 Other trading activities

|                    | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>2021<br>£'000 | Total<br>2020<br>£'000 |
|--------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Hire of facilities | 37                             | -                            | 37                     | 56                     |

The income from other trading activities was £37,000 (2020: £56,000) of which £37,000 was unrestricted (2020: £56,000).

#### 6 Investment income

|                                   | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>2021<br>£'000 | Total<br>2020<br>£'000 |
|-----------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Interest from short term deposits | -                              | -                            | -                      | 5                      |

The income from funding for investment income was £- (2020: £5,000) of which £- was unrestricted (2020: £5,000).

#### 7 Expenditure

|                                  | Staff costs<br>£'000 | Non Pay Expenditure |                | Total<br>2021<br>£'000 | Total<br>2020<br>£'000 |
|----------------------------------|----------------------|---------------------|----------------|------------------------|------------------------|
|                                  |                      | Premises<br>£'000   | Other<br>£'000 |                        |                        |
| Academy's educational operations |                      |                     |                |                        |                        |
| - Direct costs                   | 9,255                | -                   | 817            | 10,072                 | 9,416                  |
| - Allocated support costs        | 2,846                | 1,890               | 1,012          | 5,748                  | 6,047                  |
|                                  | 12,101               | 1,890               | 1,829          | 15,820                 | 15,463                 |

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 7 Expenditure (Continued)

| Net income/(expenditure) for the year includes:   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| Operating lease rentals   | 68            | 120           |
| Depreciation of tangible fixed assets   | 1,173         | 1,084         |
| Amortisation of intangible fixed assets   | -             | 1             |
| Loss on disposal of fixed assets  | -             | 786           |
| Net interest on defined benefit pension liability   | 126           | 135           |
| Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows: |               |               |
| - Audit   | 25            | 23            |
| - Other services  | 8             | 6             |
| - Audit related assurance services  | 3             | 2             |
|   | <u>36</u>     | <u>31</u>     |

### 8 Charitable activities

|                        | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | Total<br>2021<br>£'000 | Total<br>2020<br>£'000 |
|------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| <b>Direct costs</b>    |                                |                              |                        |                        |
| Educational operations | 1                              | 10,071                       | 10,072                 | 9,416                  |
| <b>Support costs</b>   |                                |                              |                        |                        |
| Educational operations | 187                            | 5,561                        | 5,748                  | 6,047                  |
|                        | <u>188</u>                     | <u>15,632</u>                | <u>15,820</u>          | <u>15,463</u>          |

The expenditure on charitable activities was £15,820,000 (2020: £15,463,000) of which £188,000 was unrestricted (2020: £204,000), £14,459,000 was restricted (2020: £13,388,000) and £1,173,000 was restricted fixed assets (2020: £1,871,000).

|                                  | 2021<br>£'000 | 2020<br>£'000 |
|----------------------------------|---------------|---------------|
| <b>Analysis of support costs</b> |               |               |
| Support staff costs              | 2,846         | 2,451         |
| Depreciation and amortisation    | 1,173         | 1,871         |
| Technology costs                 | 372           | 283           |
| Premises costs                   | 717           | 698           |
| Legal costs                      | 2             | 3             |
| Other support costs              | 600           | 706           |
| Governance costs                 | 38            | 35            |
|                                  | <u>5,748</u>  | <u>6,047</u>  |

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 9 Governance costs

|  | Total<br>2021<br>£'000 | Total<br>2020<br>£'000 |
|--|------------------------|------------------------|
| <b>All from restricted funds:</b>        |                        |                        |
| <b>Amounts included in support costs</b> |                        |                        |
| Legal costs                              | 4                      | 7                      |
| Auditor's remuneration                   |                        |                        |
| - Audit of financial statements          | 25                     | 23                     |
| - Other services                         | 11                     | 8                      |
|  | <u>40</u>              | <u>38</u>              |

### 10 Staff

#### Staff costs

Staff costs during the year were:

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| Wages and salaries                      | 8,393         | 7,838         |
| Social security costs                   | 821           | 758           |
| Pension costs                           | 2,376         | 2,055         |
| Staff costs - employees                 | 11,590        | 10,651        |
| Agency staff costs                      | 425           | 418           |
| Staff restructuring costs               | 86            | -             |
|   | <u>12,101</u> | <u>11,069</u> |
| Staff development and other staff costs | 135           | 139           |
|   | <u>12,236</u> | <u>11,208</u> |

Staff restructuring costs comprise:

|                     |           |          |
|---------------------|-----------|----------|
| Redundancy payments | 78        | -        |
| Severance payments  | 8         | -        |
|                     | <u>86</u> | <u>-</u> |

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is one non-statutory/non-contractual payment of £7,900.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Staff (Continued)

#### Staff numbers

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

|                            | 2021<br>Number | 2020<br>Number |
|----------------------------|----------------|----------------|
| Teachers                   | 141            | 135            |
| Administration and support | 124            | 116            |
| Management                 | 17             | 18             |
|                            | <u>282</u>     | <u>269</u>     |

#### Higher paid staff

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

|                    | 2021<br>Number | 2020<br>Number |
|--------------------|----------------|----------------|
| £60,001 - £70,000  | 3              | 3              |
| £70,001 - £80,000  | 3              | 3              |
| £80,001 - £90,000  | 2              | 4              |
| £90,001 - £100,000 | 1              | -              |
|                    | <u>9</u>       | <u>10</u>      |

#### Key management personnel

The key management personnel of the Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £365,290 (2020: £419,745).

### 11 Central services

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

- CEO time and support
- Finance Director time and support
- Centralised Finance support
- Vice Principal of Data and Quality Assurance time and support
- Assistant Principal of Training and induction time and support
- HR services and policy development
- Centralised ICT support
- Centralised Site and Maintenance staff
- Community engagement and outreach projects
- Legal advice and services
- Finance and budgeting system and licence costs
- Payroll administration charges

UKAT central services are funded by a contribution from each academy. The charge is apportioned based on pupil numbers.



# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 11 Central services (Continued)

|  |               |               |
|--|---------------|---------------|
| The amounts charged during the year were as follows: | 2021<br>£'000 | 2020<br>£'000 |
| Brompton Academy                                     | 869           | 635           |
| Chatham Grammar                                      | 511           | 302           |
|  | <u>1,380</u>  | <u>937</u>    |

#### 12 Trustees' remuneration and expenses

The CEO (prior to 1 January 2021, this role was "Executive Principal") and Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Trust in respect of their role as Governors. The value of the Trustees' remuneration and other benefits are as follows:

J Rider (Executive Principal and Accounting Officer)  
Remuneration £34,515 (2020: £82,118)

J Rider's salary of £34,515 is up to 31 December 2020, at which point she resigned from the Executive Principal's role.

P Storey (CEO Trustee and Accounting Officer)  
Remuneration £54,006 (2020: £nil)

P Storey has been an employee of the Trust prior to becoming appointed a CEO Trustee on 1 January 2021. The salary of £54,006 is in respect of his contract of employment from the date of appointment as a CEO Trustee.

M Baker Moss (Staff Trustee)  
Remuneration £20,174 (2020: £19,663)  
Employer's pension contributions £4,120 (2020: £3,923)

R Puri (Staff Trustee)  
Remuneration £22,698 (2020: £28,421)  
Employer's pension contributions £5,375 (2020: £6,730)

During the year ended 31 August 2021, travel and subsistence expenses totalling £947 (2020: £754) were reimbursed to six Trustees (2020: two). Related party transactions involving the Trustee's are set out in note 28.

#### 13 Trustees and officers' insurance

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

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 14 Intangible fixed assets

|   | Computer software<br>£'000 |
|---|----------------------------|
| <b>Cost</b>                               |                            |
| At 1 September 2020 and at 31 August 2021 | 3                          |
| <b>Amortisation</b>                       |                            |
| At 1 September 2020 and at 31 August 2021 | 3                          |
| <b>Carrying amount</b>                    |                            |
| At 31 August 2021                         | -                          |
| At 31 August 2020                         | -                          |

### 15 Tangible fixed assets

|                       | Land and buildings<br>£'000 | Leasehold improvements<br>£'000 | Computer equipment<br>£'000 | Fixtures, fittings and equipment<br>£'000 | Motor vehicles<br>£'000 | Total<br>£'000 |
|-----------------------|-----------------------------|---------------------------------|-----------------------------|---|-------------------------|----------------|
| <b>Cost</b>           |                             |                                 |                             |   |                         |                |
| At 1 September 2020   | 37,719                      | 316                             | 2,181                       | 1,641                                     | 10                      | 41,867         |
| Additions             | 2,937                       | -                               | 142                         | 87  | -                       | 3,166          |
| Disposals             | (120)                       | -                               | -                           | -   | -                       | (120)          |
| At 31 August 2021     | 40,536                      | 316                             | 2,323                       | 1,728                                     | 10                      | 44,913         |
| <b>Depreciation</b>   |                             |                                 |                             |   |                         |                |
| At 1 September 2020   | 4,748                       | 38                              | 2,114                       | 1,575                                     | 4                       | 8,479          |
| On disposals          | (120)                       | -                               | -                           | -   | -                       | (120)          |
| Charge for the year   | 1,010                       | 6                               | 102                         | 53  | 2                       | 1,173          |
| At 31 August 2021     | 5,638                       | 44                              | 2,216                       | 1,628                                     | 6                       | 9,532          |
| <b>Net book value</b> |                             |                                 |                             |   |                         |                |
| At 31 August 2021     | 34,898                      | 272                             | 107                         | 100                                       | 4                       | 35,381         |
| At 31 August 2020     | 32,971                      | 278                             | 67                          | 66  | 6                       | 33,388         |

Held within Land and buildings are assets in the course of construction of £nil (2020: £849,000).

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 15 Tangible fixed assets (Continued)

The net book value of land and buildings comprises:

|                                 | 2021<br>£'000 | 2020<br>£'000 |
|---------------------------------|---------------|---------------|
| Freeholds                       | 14,329        | 11,926        |
| Long leaseholds (over 50 years) | 20,569        | 21,045        |
|                                 | <u>34,898</u> | <u>32,971</u> |

### 16 Debtors

|                                | 2021<br>£'000 | 2020<br>£'000 |
|--------------------------------|---------------|---------------|
| Trade debtors                  | 384           | 259           |
| VAT recoverable                | 121           | 252           |
| Other debtors                  | -             | 2             |
| Prepayments and accrued income | 756           | 385           |
|                                | <u>1,261</u>  | <u>898</u>    |

Amounts included above which fall due after more than one year:

|               | 2021<br>£'000 | 2020<br>£'000 |
|---------------|---------------|---------------|
| Trade debtors | 146           | 97            |

### 17 Creditors: amounts falling due within one year

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| Government loans                           | 161           | 20            |
| Trade creditors                            | 363           | 831           |
| Other taxation and social security         | 214           | 194           |
| Other creditors                            | 251           | 226           |
| Accruals and deferred income (see note 19) | 253           | 140           |
|  | <u>1,242</u>  | <u>1,411</u>  |

### 18 Creditors: amounts falling due after more than one year

|                  | 2021<br>£'000 | 2020<br>£'000 |
|------------------|---------------|---------------|
| Government loans | -             | 161           |

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Creditors: amounts falling due after more than one year (Continued)

|  | 2021<br>£'000     | 2020<br>£'000     |
|--|-------------------|-------------------|
| <b>Analysis of loans</b>                                 |                   |                   |
| Wholly repayable within five years                       | 161               | 181               |
| Less: included in current liabilities                    | (161)             | (20)              |
|  | <u>          </u> | <u>          </u> |
| Amounts included above                                   | -                 | 161               |
|  | <u>          </u> | <u>          </u> |
| <b>Loan maturity</b>                                     |                   |                   |
| Due in more than two years, but not more than five years | -                 | 161               |
|  | <u>          </u> | <u>          </u> |

The loan of £160,775 is from the ESFA. This advance payment of GAG was provided to Chatham Grammar on an interest free basis and repayable as follows:

- £13,398 monthly from September 2021 with a final payment of £13,397 in August 2022.

### 19 Deferred income

|  | 2021<br>£'000     | 2020<br>£'000     |
|--|-------------------|-------------------|
| Deferred income is included within:      |                   |                   |
| Creditors due within one year            | 73                | 28                |
|  | <u>          </u> | <u>          </u> |
| Deferred income at 1 September 2020      | 28                | 86                |
| Released from previous years             | (28)              | (86)              |
| Resources deferred in the year           | 73                | 28                |
|  | <u>          </u> | <u>          </u> |
| <b>Deferred income at 31 August 2021</b> | <b>73</b>         | <b>28</b>         |
|  | <u>          </u> | <u>          </u> |

Deferred income comprises:

- £58,658 (2020: £14,944) in relation to rates relief relating to the period ending March 2022
- £13,984 (2020: £12,950) in relation to trips fees received in advance.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 20 Funds

|  | Balance at<br>1 September<br>2020<br>£'000 | Income<br>£'000 | Expenditure<br>£'000 | Gains,<br>losses and<br>transfers<br>£'000 | Balance at<br>31 August<br>2021<br>£'000 |
|--|--|-----------------|----------------------|--|--|
| <b>Restricted general funds</b>                    |  |                 |                      |  |  |
| General Annual Grant (GAG)                         | 153  | 12,483          | (11,944)             | (163)                                      | 529                                      |
| Other DfE / ESFA grants:                           |  |                 |                      |  |  |
| - Pupil premium                                    | -  | 536             | (536)                | -  | -  |
| - Teachers' Pay Grant                              | -  | 152             | (152)                | -  | -  |
| - Teachers' Pension Employer<br>Contribution Grant | -  | 430             | (430)                | -  | -  |
| - Others   | -  | 140             | (140)                | -  | -  |
| Catch-up premium                                   | -  | 169             | (111)                | -  | 58                                       |
| Other DfE / ESFA COVID-19<br>funding               | -  | 33              | (33)                 | -  | -  |
| Other non-DfE / ESFA<br>COVID-19 funding           | -  | 3               | (3)                  | -  | -  |
| Other government grants                            | -  | 211             | (211)                | -  | -  |
| Other restricted funds                             | 85   | 26              | (111)                | -  | -  |
| Pension reserve                                    | (8,050)                                    | -               | (788)                | (1,179)                                    | (10,017)                                 |
|  | <u>(7,812)</u>                             | <u>14,183</u>   | <u>(14,459)</u>      | <u>(1,342)</u>                             | <u>(9,430)</u>                           |
| <b>Restricted fixed asset funds</b>                |  |                 |                      |  |  |
| Transfer on conversion                             | 32,729                                     | -               | (476)                | -  | 32,253                                   |
| DfE group capital grants                           | 1,122                                      | 2,568           | (612)                | -  | 3,078                                    |
| Capital expenditure from GAG                       | 11   | -               | (82)                 | 217  | 146                                      |
| Private sector capital<br>sponsorship              | 3  | -               | (3)                  | -  | -  |
|  | <u>33,865</u>                              | <u>2,568</u>    | <u>(1,173)</u>       | <u>217</u>                                 | <u>35,477</u>                            |
| <b>Total restricted funds</b>                      | <u>26,053</u>                              | <u>16,751</u>   | <u>(15,632)</u>      | <u>(1,125)</u>                             | <u>26,047</u>                            |
| <b>Unrestricted funds</b>                          |  |                 |                      |  |  |
| General funds                                      | 305  | 415             | (188)                | (54)                                       | 478                                      |
| <b>Total funds</b>                                 | <u>26,358</u>                              | <u>17,166</u>   | <u>(15,820)</u>      | <u>(1,179)</u>                             | <u>26,525</u>                            |

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 20 Funds (Continued)

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

##### Restricted general funds:

- GAG fund must be used for the normal running costs of the Academy Trust. The Academy Trust is allowed to carry forward unspent GAG funds without limit.
- Pupil Premium fund represents an additional grant to support those students on free school meals and who are from service families. Costs incurred for this purpose, such as additional teaching and support staff expenses, have been set off against this income.
- Other DfE/ESFA grants relating to Teachers' Pay Grant, Teachers' Pension Employer Contribution Grant and other funding has arisen from funding received for the furtherance of the Academy Trust's activities that are not funded through the GAG.
- Catch-up premium fund represents funding received to aid the Academy Trust in dealing with the impact of the COVID-19 pandemic on both the students and the schools' ability to provide teaching.
- The Other government grants fund has been set up to recognise the income received from Medway Council as a contribution towards the cost of the Trust's revenue expenditure.
- The Other restricted fund was created to recognise restricted grants and other income, including donations that are not received from any government bodies.
- The Pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

##### Restricted fixed asset funds:

- The Transfer on conversion fund represents donated fixed assets received by the Trust on conversion.
- The DfE group capital grants fund represents fixed assets purchased from grants provided by the DfE/ESFA.
- The DfE capital grant of £2,568,000 (2020: £2,070,000) is for capital expenditure, major repairs and replacements and installation costs associated with these. At the year end, £96,000 (2020: £81,803) remains unspent and will be used during the financial year to 31 August 2022.
- The Capital expenditure from GAG fund relates to the purchase of fixed assets which are funded from the restricted GAG fund.
- A total of £217,000 (2020: £18,000) was transferred into the Restricted fixed asset fund. This comprised capital expenditure purchased from the GAG fund.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the DfE and ESFA, the Academy Trust's income and expenditure for Pupil Premium, Teachers' Pay Grant and Teachers' Pension Employer Contribution Grant is no longer reported within Other DfE/ESFA grants fund line item, but as separate lines in the funds note. The prior year numbers have been reclassified.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 20 Funds (Continued)

#### Funds prior year

|  | Balance at<br>1 September<br>2019<br>£'000 | Income<br>£'000 | Expenditure<br>£'000 | Gains,<br>losses and<br>transfers<br>£'000 | Balance at<br>31 August<br>2020<br>£'000 |
|--|--|-----------------|----------------------|--|--|
| <b>Restricted general funds</b>                    |  |                 |                      |  |  |
| General Annual Grant (GAG)                         | 133  | 11,337          | (11,299)             | (18)                                       | 153                                      |
| Other DfE / ESFA grants:                           |  |                 |                      |  |  |
| - Pupil premium                                    | -  | 594             | (594)                | -  | -  |
| - Teachers' Pay Grant                              | -  | 146             | (146)                | -  | -  |
| - Teachers' Pension Employer<br>Contribution Grant | -  | 410             | (410)                | -  | -  |
| - Others   | -  | 149             | (149)                | -  | -  |
| Other government grants                            | -  | 130             | (130)                | -  | -  |
| Other restricted funds                             | -  | 156             | (71)                 | -  | 85                                       |
| Pension reserve                                    | (7,280)                                    | -               | (589)                | (181)                                      | (8,050)                                  |
|  | <u>(7,147)</u>                             | <u>12,922</u>   | <u>(13,388)</u>      | <u>(199)</u>                               | <u>(7,812)</u>                           |
| <b>Restricted fixed asset funds</b>                |  |                 |                      |  |  |
| Transfer on conversion                             | 33,205                                     | -               | (476)                | -  | 32,729                                   |
| DfE group capital grants                           | 386  | 2,070           | (1,334)              | -  | 1,122                                    |
| Capital expenditure from GAG                       | 51   | -               | (58)                 | 18   | 11                                       |
| Private sector capital<br>sponsorship              | 6  | -               | (3)                  | -  | 3  |
|  | <u>33,648</u>                              | <u>2,070</u>    | <u>(1,871)</u>       | <u>18</u>                                  | <u>33,865</u>                            |
| <b>Total restricted funds</b>                      | <u>26,501</u>                              | <u>14,992</u>   | <u>(15,259)</u>      | <u>(181)</u>                               | <u>26,053</u>                            |
| <b>Unrestricted funds</b>                          |  |                 |                      |  |  |
| General funds                                      | <u>331</u>                                 | <u>178</u>      | <u>(204)</u>         | <u>-</u>                                   | <u>305</u>                               |
| <b>Total funds</b>                                 | <u>26,832</u>                              | <u>15,170</u>   | <u>(15,463)</u>      | <u>(181)</u>                               | <u>26,358</u>                            |

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 20 Funds (Continued)

##### Total funds analysis by academy

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| Fund balances at 31 August 2021 were allocated as follows: |               |               |
| Brompton Academy   | 1,099         | 605           |
| Chatham Grammar  | (41)          | (62)          |
| Central services   | 7             | -             |
| Total before fixed assets fund and pension reserve         | 1,065         | 543           |
| Restricted fixed asset fund                                | 35,477        | 33,865        |
| Pension reserve  | (10,017)      | (8,050)       |
| Total funds  | 26,525        | 26,358        |

##### Total cost analysis by academy

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

|                  | Teaching and<br>educational<br>support staff<br>£'000 | Other support<br>staff costs<br>£'000 | Educational<br>supplies<br>£'000 | Other costs<br>excluding<br>depreciation<br>£'000 | Total<br>2021<br>£'000 | Total<br>2020<br>£'000 |
|------------------|---|---------------------------------------|----------------------------------|---|------------------------|------------------------|
| Brompton Academy | 6,090   | 741                                   | 448                              | 985   | 8,264                  | 9,043                  |
| Chatham Grammar  | 2,984   | 501                                   | 214                              | 522   | 4,221                  | 3,957                  |
| Central services | 316   | 1,602                                 | 22                               | 222   | 2,162                  | 1,378                  |
|                  | 9,390   | 2,844                                 | 684                              | 1,729   | 14,647                 | 14,378                 |

#### 21 Analysis of net assets between funds

|   | Unrestricted<br>Funds<br>£'000 | Restricted<br>General<br>Funds<br>£'000 | Restricted<br>Fixed Asset<br>Funds<br>£'000 | Total<br>Funds<br>£'000 |
|---|--------------------------------|---|---|-------------------------|
| Fund balances at 31 August 2021 are represented by: |                                |   |   |                         |
| Tangible fixed assets                               | -                              | -                                       | 35,381                                      | 35,381                  |
| Current assets                                      | 499                            | 1,722                                   | 182   | 2,403                   |
| Creditors falling due within one year               | (21)                           | (1,135)                                 | (86)  | (1,242)                 |
| Defined benefit pension liability                   | -                              | (10,017)                                | -   | (10,017)                |
| Total net assets                                    | 478                            | (9,430)                                 | 35,477                                      | 26,525                  |



# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 21 Analysis of net assets between funds (Continued)

|  | Unrestricted<br>Funds<br>£'000 | Restricted funds:<br>General<br>£'000 | Fixed asset<br>£'000 | Total<br>Funds<br>£'000 |
|--|--------------------------------|---------------------------------------|----------------------|-------------------------|
| <b>Fund balances at 31 August 2020 are represented by:</b> |                                |                                       |                      |                         |
| Tangible fixed assets                                      | -                              | -                                     | 33,388               | 33,388                  |
| Current assets   | 1,877                          | 238                                   | 477                  | 2,592                   |
| Creditors falling due within one year                      | (1,411)                        | -                                     | -                    | (1,411)                 |
| Creditors falling due after one year                       | (161)                          | -                                     | -                    | (161)                   |
| Defined benefit pension liability                          | -                              | (8,050)                               | -                    | (8,050)                 |
| <b>Total net assets</b>                                    | <b>305</b>                     | <b>(7,812)</b>                        | <b>33,865</b>        | <b>26,358</b>           |

#### 22 Capital commitments

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| Expenditure contracted for but not provided in the financial statements | -             | 1,441         |

#### 23 Long-term commitments, including operating leases

At 31 August 2021 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| Amounts due within one year            | 64            | 59            |
| Amounts due between one and five years | 71            | 103           |
|  | <b>135</b>    | <b>162</b>    |

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 24 Reconciliation of net income/(expenditure) to net cash flow from operating activities

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities) | 1,346         | (293)         |
| Adjusted for:  |               |               |
| Capital grants from DfE and other capital income   | (2,568)       | (2,070)       |
| Interest receivable  | -             | (5)           |
| Pension costs less contributions payable   | 662           | 454           |
| Pension scheme finance costs   | 126           | 135           |
| Depreciation of tangible fixed assets  | 1,173         | 1,084         |
| Amortisation of intangible fixed assets  | -             | 1             |
| Loss on disposal of fixed assets   | -             | 786           |
| Movements in working capital:  |               |               |
| Increase in debtors  | (363)         | (67)          |
| Decrease in creditors  | (399)         | (107)         |
| <b>Net cash used in operating activities</b>   | <b>(23)</b>   | <b>(82)</b>   |

#### 25 Analysis of changes in net funds

|  | 1 September<br>2020<br>£'000 | Cash flows<br>£'000 | 31 August<br>2021<br>£'000 |
|--|------------------------------|---------------------|----------------------------|
| Cash                                       | 1,694                        | (552)               | 1,142                      |
| Loans falling due within one year          | (20)                         | (141)               | (161)                      |
| Loans falling due after more than one year | (161)                        | 161                 | -                          |
|  | <u>1,513</u>                 | <u>(532)</u>        | <u>981</u>                 |

#### 26 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 27 Pension and similar obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Local Government Pension Scheme 2007/2008. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £204,015 (2020: £191,473) were payable to the schemes at 31 August 2021 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

##### 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £1,269,000 (2020: £1,186,453).

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

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 27 Pension and similar obligations (Continued)

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.5% for employers and 5.5 to 12.5% for employees.

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

| Total contributions made | 2021<br>£'000 | 2020<br>£'000 |
|--------------------------|---------------|---------------|
| Employer's contributions | 445           | 413           |
| Employees' contributions | 139           | 130           |
| Total contributions      | 584           | 543           |

##### Principal actuarial assumptions

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

|  | 2021<br>% | 2020<br>% |
|--|-----------|-----------|
| Rate of increase in salaries                       | 3.9       | 3.3       |
| Rate of increase for pensions in payment/inflation | 2.9       | 2.3       |
| Discount rate for scheme liabilities               | 1.65      | 1.6       |
| Inflation assumption (CPI)                         | 2.9       | 2.3       |

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

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

Scheme liabilities would have been affected by changes in assumptions as follows:

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 27 Pension and similar obligations (Continued)

##### The Trust's share of the assets in the scheme

|                            | 2021<br>Fair value<br>£'000 | 2020<br>Fair value<br>£'000 |
|----------------------------|-----------------------------|-----------------------------|
| Equities                   | 6,461                       | 5,445                       |
| Other bonds                | 1,370                       | 1,085                       |
| Gilts                      | 55                          | 56                          |
| Cash                       | 283                         | 256                         |
| Property                   | 1,015                       | 923                         |
| Other assets               | 687                         | 640                         |
| Total fair value of assets | <u>9,871</u>                | <u>8,405</u>                |

The actual return on scheme assets was £1,226,000 (2020: £(247,000)).

##### Amount recognised in the Statement of Financial Activities

|                         | 2021<br>£'000 | 2020<br>£'000 |
|-------------------------|---------------|---------------|
| Current service cost    | 1,101         | 862           |
| Net interest cost       | 126           | 135           |
| Administration expenses | 6             | 5             |
| Total operating charge  | <u>1,233</u>  | <u>1,002</u>  |

##### Changes in the present value of defined benefit obligations

|                        | 2021<br>£'000 |
|------------------------|---------------|
| At 1 September 2020    | 16,455        |
| Current service cost   | 1,101         |
| Interest cost          | 262           |
| Employee contributions | 139           |
| Actuarial loss/(gain)  | 2,269         |
| Benefits paid          | (338)         |
| At 31 August 2021      | <u>19,888</u> |

# THE UNIVERSITY OF KENT ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 27 Pension and similar obligations (Continued)

#### Changes in the fair value of the Trust's share of scheme assets

|   | 2021<br>£'000 |
|---|---------------|
| At 1 September 2020   | 8,405         |
| Interest income   | 136           |
| Return on plan assets (excluding net interest on the net defined pension liability) | 1,090         |
| Employer contributions  | 445           |
| Employee contributions  | 139           |
| Benefits paid   | (338)         |
| Administration expenses   | (6)           |
| At 31 August 2021   | 9,871         |

### 28 Related party transactions

The University of Kent is the Trust's primary sponsor and some of their staff members are on the Trust's Board of Trustees. The following transactions have taken place between The University of Kent Academies Trust and the University of Kent:

Purchase transactions in the year amounted to £5,553 (2020: £19,757). Purchases related to tuition fees and IT Consultancy that have been provided by the University of Kent.

There was income receivable to the value of £5,317 (2020: £39,746) which related to student teacher supervision, exam fees and staff training course delivery.

There is a balance of £1,000 (2020: £1,000) included within other debtors at the year end, with a further amount of £737 (2020: £16,495) included within trade debtors. There is also a balance of £nil (2020: £6,812) included within trade creditors.

Sales transactions in the year amounted to £nil (2020: £6,000) to The Howard School in relation to funding for sport co-ordinators. M Baker Moss, a Trustee of the Trust, is also a Trustee of the Howard Academy Trust, of which The Howard School is part. £nil remained receivable at the year end (2020: £2,000).

### 29 Agency arrangements

The Trust administers the disbursement of discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year, there was an amount brought forward of £20,452 (2020: £21,952). It received £33,591 (2020: £41,100) and disbursed £25,600 (2020: £40,571). The Trust retained a beneficial interest in individual transactions such that £1,280 (2020: £2,029) has been recognised in income and expenditure in the Statement of Financial Activities. Therefore, at the year end, an amount of £27,163 (2020: £20,452) is included in other creditors.