

Company Registration Number: 07494754 (England & Wales)

KENDRICK SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



KENDRICK SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr K Miller Mrs J Nowecki (resigned 31 August 2022) Mr C Ramsden Mr W Whittingham Mrs F Ramsay (appointed 26 March 2022) Mr K Skipsey (appointed 26 March 2022) Mrs J Clays (resigned 31 August 2022)
Trustees	Mr J Chadwick Mrs J Clays (resigned 31 August 2022) Mrs C Cooper Mr J Duncan Professor D Fuschi (resigned 13 October 2021) Mrs C-L Cavaciuti (appointed 4 November 2021) Mr D Heslington Ms C Kattirtzi, Headteacher Miss H Kirk (resigned 23 June 2022) Mr K Miller Mrs J Nowecki, Chair of Governors (resigned 31 August 2022) Mr C Ramsden Mrs F Ramsay Mrs N Sahay (resigned 22 March 2022) Mr K Skipsey Mrs R Clarke (appointed 18 November 2021) Mrs J Drury (appointed 30 September 2021) Dr W Whittingham Mrs K Hawaldar (appointed 7 July 2022) Mr A Morris (appointed 18 November 2021)
Company registered number	07494754
Charity registered number	1123096
Company name	Kendrick School
Principal and registered office	Kendrick School London Road Reading Berkshire RG1 5BN
Company secretary	Mrs I M C Sandy

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

**Senior management
team**

Ms C Kattirtzi, Headteacher
Mr N Simmonds, Deputy Headteacher
Mr G Hill, Assistant Headteacher
Dr K Perry, Assistant Headteacher
Mrs I Sandy, School Business Manager
Miss Y Le Croisette, SLT Support
Miss A Emberson, Executive Assistant

Independent auditor

Crowe U.K. LLP
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Bankers

Lloyds TSB Bank plc
1 City Road East
Manchester
M15 4PU

Solicitors

Stone King LLP
91 Charterhouse Street
London
EC1M 6HR

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees, who are the directors of the Company, present their annual report together with the financial statements and auditor's report of the Charitable Company for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 34 - 39 of the financial statements, and comply with the Company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015).

Kendrick School is an academy for students aged 11 to 18 serving a catchment area largely within a 15 mile radius of Kendrick School, Reading, Berkshire in line with our Admission's Policy. In the Spring 2022 Kendrick School census there were 834 students on roll, 521 in Years 7 to 11 and 282 students in the Sixth Form.

From September 2020, Kendrick School increased its Year 7 entry from three to four forms raising the student intake from 96 to 128. This is a planned increase such that in 2024 capacity will sit at a nominal 640 across Years 7-11 with 280 in the Sixth form subject to A Level choices.

Structure, governance and management

a. Constitution

Kendrick School is a company limited by guarantee with no share capital and an exempt charity (registration no. 07494754). The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of Kendrick School. The articles of association require that the business of the School be managed by the Trustees who may exercise all the powers of the Academy Trust. The trustees of Kendrick School are also the directors of the charitable company for the purposes of company law.

The Trustees of Kendrick School are also the directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of the charity legislation.

b. Members' liability

Each member of the charitable company undertakes to contribute such amount as may be required (such amount not exceeding £10) 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, for the payment of the Trusts debts and liabilities before he or she ceases to be a member and of the costs charges and expenses of winding up and for the adjustment of the rights of contributories amongst themselves.

c. Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect the Trustees, Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst undertaking Academy business. The insurance provider provides cover up to £2,000,000 in any one claim. As disclosed in note 13, professional indemnity insurance is paid on behalf of the trustees of the School.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The term of office for any Trustee is 4 years, excluding the Headteacher who is appointed ex officio. Trustees may be reappointed or re-elected subject to remaining eligible to be a particular type of Trustee.

The Members may appoint up to 9 Trustees and up to 4 Staff Trustees provided that the total number of Trustees (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Trustees. Staff Trustees are elected by secret ballot. The LA may appoint the LA Trustee. The Trustees may appoint up to 3 Co-opted Trustees.

Parent Trustees are elected by parents of registered students at the Academy.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Trustees will be given a tour of the school and the chance to meet staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are only normally 2 or 3 new Trustees a year, an existing Trustee is appointed to assist with the mentoring and induction on an informal basis but tailored specifically to the needs of the individual.

f. Organisational structure

There are five Members of the Academy Trust which includes the Chair of Trustees. There shall be no less than three members. The Members delegate all business of the Academy Trust to the Governing Body. Kendrick School has a Senior Leadership Team led by the Headteacher.

The Trustees are responsible for:

- Setting the strategic direction of the school
- Approving business plans
- Ratifying certain operational decisions involving larger sums of revenue or capital expenditure
- Ensuring financial reporting and audit arrangements take place.

The Governing Body has three standing committees: Learning & Teaching, Resources, and Performance & Review.

The Headteacher is responsible for leadership, management and the day to day running of the Academy under a clear scheme of delegation and is supported by a senior leadership team in these responsibilities and in the provision of professional advice to the Governing Body.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

Decisions on pay other than for the Headteacher have been delegated to the Headteacher by the Governing Body. The Governing Body will ensure that each member of staff's salary is reviewed annually.

The Governing Body will set the Individual School Range (ISR) of the Headteacher when a new appointment needs to be made in accordance with the criteria specified in the School Teachers' Pay and Conditions Document: job weight, the social, economic and cultural background of the students and recruitment difficulties. The ISR will normally be within the school's group range but may be placed in a group that is up to two groups higher than that to which the school is assigned on the basis of its unit total, to recruit the right person.

The Governing Body will review the Headteacher's ISR annually in the autumn term following a formal performance review.

The Governing Body will determine the 5-point range of the deputy or assistant head to reflect the criteria specified in the STPCD- job weight and challenge, the circumstances of the school and any recruitment difficulties. These ranges will be placed on the leadership spine in between the lowest point of the Head's ISR and the salary of the highest paid classroom teacher. The Governing Body is committed to the maintenance of appropriate differentials between members and non-members of the leadership group to reflect the responsibilities of such posts. The Pay Panel in consultation with the Headteacher will also ensure that a Deputy Headteacher will be paid at least one point higher than an assistant headteacher. The ranges of assistant headteachers/deputies will be reviewed annually in the autumn term on the basis of any increased job weight/responsibility.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£
Total cost of facility time	800
Total pay bill	2,774,680
Percentage of total pay bill spent on facility time	0.03 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	2.52 %
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i. Related parties and other connected charities and organisations

Kendrick School maintains strong relationships with other Reading based schools in order to provide support, collaborate and share good practice. Since the pandemic and the return to normal schooling and education, Kendrick School has restarted exploratory discussions to form or join a multi academy trust (MAT) with academies in the local region.

Kendrick School's Headteacher and Deputy Headteacher are trustees of the Kendrick School Fund, a charity whose objects are to advance the education of students at the school by engaging in activities which support Kendrick School and provides and assists in the provision of facilities or items for education not normally provided from statutory funds. Voluntary contributions are predominantly made by existing parents at the school on an annual, termly or monthly basis.

Kendrick School is supported by the Kendrick Trust, an independent charity, which makes grants to the school and to students and former students of the school.

The school has worked alongside the Science Learning Partnership and the Institute of Physics to promote science, mathematics and engineering in schools and provide teaching and learning training, support, and resources in the Berkshire region and nationally. During 2021/22 the Deputy Headteacher has resumed his services as an Ofsted inspector.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

a. Objects and aims

The vision for the school is to lead, inspire, and make a difference to the lives of girls and young women.

- lead everyone to grow and contribute
- inspire staff students and parents to have a voice in the vision
- make a difference to people's lives and the wider community.

Kendrick School aims to provide an excellent education for all its students in a safe and healthy environment where students and staff can share a love of learning and enjoy satisfaction in their achievements. The school seeks to promote confidence in its students. The traditional strengths and values are combined with a determination to embrace new challenges, to promote flexible and lifelong learning and to prepare the members of our community for the future. The school is committed to valuing all subjects and areas of the curriculum.

The aims are achieved by:

- Creating an ethos where spiritual life and moral values underpin decisions and actions
- Working collaboratively within the school: with parents and trustees, with its partner schools and in the wider community. The school will learn from others and offer its own expertise possible
- Promoting a culture in which everyone, irrespective of age or experience, is recognised as having potential for learning, where challenge and innovation are welcomed and where staff and students are encouraged to become members of a learning society. Members of staff are encouraged to be reflective and innovative practitioners. Staff and students engage in regular self-review through procedures which are embedded into the life of the school
- Creating an environment which promotes personalised learning and lifelong skills, maintaining a focus on individual needs
- Promoting excellence and breadth in educational experiences. The school wants its students to fulfil their potential across a range of achievements: academic, social, creative and personal
- Promoting inclusion for all students and staff and finding ways to listen and respond to the 'student voice'
- Sustaining commitment to promote active citizenship, respect for others and a willingness to become involved in society
- Fostering work-related learning and links with business and industry
- Using technology creatively to help and inspire learning.

b. Public benefit

Kendrick School exists for the educational benefit of female students who fulfil the admissions criteria in Reading, Berkshire and the wider community in line with Kendrick School's Admissions Policy. The Trustees have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the guidance issued by the Charity Commission on public benefit.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report

Achievements and performance

Kendrick School continues to be one of the top state schools in the country for its academic performance and achievements. Due to the Coronavirus pandemic, GCSE and A' Level results were awarded based on Centre Assessment Grade criteria. Nevertheless, the results and achievements reflect the hard work of all students and staff at Kendrick School.

Results for 2021/22 (last academic year).

- At A Level, 40% of grades awarded were at A* and 90% A* to B.
- 64% of GCSE grades were awarded at grade 9 and 83% at grades 8&9.
- National performance tables and value-added calculations have not been published yet for this year.

Donations from the Kendrick School Fund totalling £36,591 enabled the school to provide counselling services and advice for its students to manage the pressures and demands. School Fund donations have also been used to facilitate music lessons and instrumental groups as well as subsidising the school minibus and funding small premises project over the summer 2022. It provided funding for the printing and publication of the school magazine 'Happy News'. The school prides itself on its academic achievements and the School Fund provides opportunities to compete nationally at Science and Mathematics Olympiads.

Science grants totalling £23,275 were received during 2021/22 to continue the advancement of science in Reading and Berkshire at all key stages.

Self-Review continues to be a strong and pivotal feature in our learning and teaching strategy for ensuring the delivery of outstanding education and fulfilling the Kendrick School Development Plan. The systematic review of all subject departments is firmly embedded at all levels in the school and helps to maintain the excellent academic performance of its students and fulfilment of all our ambitions.

Given the changing educational landscape, Kendrick School has sought to inform and discuss issues around multi-academy trusts and develop strong collaborative links with local primary and secondary schools in order to positively impact on school improvement across Reading.

In December 2018 Kendrick secured a £2.11 million Selective School Expansion government funding for a new building which would accommodate an additional form of entry (additional 32 students) at Year 7 from 2020. The new Horizons Building provides 9 classrooms and a canteen eating area for Years 7 and 8 as well as staff working spaces.

The school has continued to improve links with local businesses with the aim of establishing deeper understanding and collaboration between the school and industry, increasing participation in STEM subjects and raising standards in local schools. The school became a learning centre for the Institute of Physics and continued its participation in the Future Physics Leaders Project in 2021/22.

Kendrick School continues to raise the level of music making and enjoyment by offering our students the chance to play and perform on first class instruments. With financial help from the Kendrick Parents' Society, the school purchased a harp to complement the wide range of musical instruments and extend the music skills and repertoire of students.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

Students Attainment

2022 grade boundaries have been set to give grades that lie between 2019 and 2021 distributions nationally and so are not directly comparable to 2019 results. In 2023 the grade distribution will be realigned with 2019 grades.

Key Indicator	2021-2022	2022/23 Trends/Targets
Pupil Number in 6 th form	2022/23 - 286	280
Numbers on Roll	2022/23 - 869	864
Attendance	92.9% Whole School up to 30/4/22	96% minimum threshold
UCAS Predictions	98% within 1 grade of actual results	Similar results expected
Statutory Issues	0	0
Quality of Teaching, Learning and Assessment	Outstanding	Outstanding
Parental Grievances	0	0
Progress 8	Not published yet	Greater than 0.5
A2 A/A* %	3 Year Average – 68% 2017.18.19 75% in 2022	3 Year Average – 68%
Level 3 VA AS Level	n/a this year	+ve Value Added
Level 3 VA A2 Level	n/a this year	+ve Value Added
OFSTED Judgement	Outstanding	Outstanding

2022 Public Examinations

Despite some initial uncertainty due to the Coronavirus pandemic, the school was able to carry out external GCSE and A' Level examinations during the Summer term 2022.

2022 University Choices

128 firm choices achieved, 11 insurance choices and 18 others. 6 offered Oxford places were secured and 8 Cambridge places. 20 medicine places were secured.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

Whilst increases in the AWPU and new grants such as the Maths Premium Grant and High Value Premium Grant are welcome, as a cautionary note however, the trustees remained concerned at the financial constraints and budget pressures due to inflationary pressures, the high cost of energy and talk of government reducing public funding and austerity measures. The improvements and the SSEF bid application were only possible because of generous donations from external sources. This use of external funding sources for core educational purposes comes despite a significant number of efficiency and cost saving measures that have been implemented over the last few years as funding has reduced. The school has implemented a number of measures to address funding constraints which has challenged the overall educational offer made by the school.

The introduction of the new National Funding Formula and the attendant risk of further budget reductions due to unfunded pay awards and increased in Local Government employer pension costs are of concern as further cost saving measures to address any real terms budget increase will likely have a significant impact on core activities within the school.

c. Promoting the success of the company

Under section 172(1)(a) to (f) of the Companies Act 2006, the directors of Kendrick School act way to promote the success of the school, and in doing so have regard to:

- the likely consequences of any decision in the long term
- the interests of the school's staff
- the need to foster good business relationships with suppliers, customers and other stakeholders
- the impact of the school's operations on the community and the environment
- maintaining a reputation for high standards of business conduct
- to act fairly as between members of the company.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Financial review

The Academy received income into its Unrestricted Fund, Restricted General Fund, Restricted Fixed Asset Fund and Restricted Other Fund during 2021/22

Restricted General Fund

The majority of the Academy's income was received through Education Skills Funding Agency (ESFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the academy's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the SOFA. General Restricted Fund income for the year was £4,715,449; expenditure against the fund was £4,730,088, giving a net outflow of resources of £14,639 (before transfers to the Restricted Fixed Asset Fund and accounting for the pension deficit. The resultant restricted revenue fund carried forward is £(94,582).

Unrestricted Fund

Income received into the Unrestricted Fund was £200,869. This was predominantly attributable to the generation of own funds within Kendrick School, including £135,930 arising from hiring of facilities. It also includes £25,000 of donations made to school without specific instructions for use. Expenditure against the fund was £194,173 for the year giving an Unrestricted Fund carry forward of £21,590.

Restricted Fixed Asset Fund

Income received into the Restricted Fixed Asset Fund relates to capital grants received from the ESFA of £19,137. The transfer from the Restricted General Fund into the Restricted Fixed Asset Fund of £71,247 represents fixed asset additions in the year.

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned, in line with the Academy's depreciation policy.

Summary of Financial Performance and Position

Fund balances as at 31 August 2022 totalled £10,666,502. This is comprised of £21,590 of Unrestricted Funds, £(94,582) of Restricted General Funds (after accounting for total pension deficit of £831,000), £10,739,494 of Restricted Fixed Asset Funds. The unrestricted funds represent the level of free reserves held by Kendrick School.

Balance Sheet

The Academy's assets were predominantly used for providing education to school students.

The net book value of the Academy's tangible fixed assets was £10,688,925 as at 31 August 2022. The movement in this account is detailed in note 14.

Cash in hand at 31 August 2022 was £737,751. In addition the academy has £200,000 held in short term deposit.

Financial and Risk Management Objectives and Policies

The objective of the Academy's Risk Management procedure is to identify the principal risks facing the academy so that existing controls may be considered and further action taken if required, including external insurance.

The financial risks considered include: economic / financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial / statutory requirements.

The valuation of the defined benefit pension scheme is a liability of £831,000. On the balance sheet, this is offset by the Academy's reserves.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

a. Reserves policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be sufficient working revenue and capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trustees' principle is to generate reserves to provide funds to continue to enhance the educational facilities and services, to maintain and enhance school's premises and infrastructure and to fund future projects. The Trustees intend to adopt a reserves policy every three years to ensure that this aim can be achieved.

In respect of any surplus or deficit recognised in relation to the Academy's share of the Local Government Pension Scheme, this would generally result in a cash flow effect for the Academy in the form of an increase or decrease in employer's pension contributions over a number of years. This year a deficit of £831,000 has been recognised in the accounts as a provision; this does not represent an immediately realisable liability that requires payment.

The Trustees review the Academy's Reserve Policy every three years. The Board of Trustees have determined that the appropriate level of uncommitted reserves should be retained to meet short term, unforeseeable expenditure and to enable to meet the financial demand of any significant changes in resources or expenditure or address a shortfall in the budget.

The reason for this reserve is to provide sufficient working revenue or capital and to provide a cushion to deal with unexpected emergencies. In future years capital maintenance and development projects may be considered in the reserves policy review.

The Academy's free reserves as at 31 August 2022 were £21,590 (being unrestricted funds). The Academy intends to continue building free reserves until the £ level needed is reached.

The Trustees understand that the School needs to maintain an appropriate level of reserves to provide sufficient capital to cover delays between spending and receipt of income from the available funding streams, to fund capital projects or to provide for unexpected expenditure and emergencies. Cash flow forecasts and monitoring ensures the school has sufficient funds available to pay for day-to-day operations. If significant balances can be foreseen, steps can be taken to invest the extra funds. The value of these balances should equate to all or most of the reserves funds.

The level of general revenue reserves held on 31st August 2022:

Restricted:	GAG	£572,316
	Other	£109,897

The level of reserves and balances are monitored termly and details notified to the Governing Body. Any in-year surplus funds are used to offset any deficits in the current or subsequent year's budget.

b. Investment policy

Kendrick School seeks to maximise returns, minimise risk and maintain flexibility and access to funds.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

c. Principal risks and uncertainties

The Trustees have a comprehensive risk management process to identify and monitor the risks faced by the school and have implemented a number of systems to assess risk. The principal risks identified include strategic and reputational risk, management information risk, compliance, human resources and teaching standards risk, supplier risk, health and safety and the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. Kendrick School has an effective system of internal financial controls and this is explained in more detail in the following statement.

Annually in the autumn term a full review of all risks to which the academy is exposed is carried out. The Risk Register provides a detailed assessment of all key risk categories e.g. Strategic and Reputational Risks, Operational Risks, Compliance Risks and Financial Risks. The Risk Register provides an assessment of the likelihood and impact of a specific occurrence and the persons responsible for implementing control procedures and taking appropriate action. The school will obtain additional consultancy advice when necessary to mitigate any risks.

Trustees are advised termly of the areas of highest risk and if any movement in risk as occurred.

Principal risks identified by directors in the risk review were:

- Funding sustainability – With the introduction of the National Funding Formula, staffing, curriculum and premises strategies will be reviewed and implemented to bring about cost savings in line with new funding allocations.
- Whilst the government is determined that all schools should remain open, the threat of an Autumn wave of Covid-19 and disruption to the teaching and learning of the students remains a possibility. The school is working hard and adheres to the government guidance to ensure all staff and student remain safe and students can continue to enjoy the benefits of face-to face- teaching and being amongst their peers.

Fundraising

Kendrick School receives voluntary parental donations into a separate account called the Kendrick School Fund. The Kendrick School Fund is a registered charity with the Charity Commission (Charity Number 1040970) and makes donations to Kendrick School in accordance with its objects. Parents are made aware of the Kendrick School Fund by highlighting the need for voluntary additional financial contributions however large or small through its prospectus and website. Thereafter in order to comply with recognised standards and GDPR Regulations, only parents who have consented to receive fundraising and marketing materials will receive regular newsletters and updates about the Kendrick School Fund and fundraising events. From time to time the school may make available for resale, and solely for fundraising purposes, Kendrick School merchandise such as mugs, totebags and pencils. In addition parents may be asked at the end of a school event e.g. Music concert, school production to make a voluntary contribution towards a specific school department.

The school will continue to use its database of current students and promote the alumni site to highlight the Kendrick School Fund and considers that this approach protects the public and stakeholders from unreasonable intrusion and pestering. No professional fundraisers or commercial participators have ever been used to promote the Kendrick School Fund.

There is no obligation placed at any time upon stakeholders to provide any additional voluntary contribution.

No specific fundraising complaints policy exists at present, but any person is able to make a complaint directly to the school through email or phone or use the school's complaints policy and procedure.

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TRUSTEES' REPORT (CONTINUED)
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Plans for future periods

Kendrick School will continue to develop partnerships and collaborate at all levels with schools and the wider community. Kendrick School will continue to promote a cohesive educational strategy throughout all sectors in the Reading area.

Kendrick School will continue to embed sustainability plans by continuing to review teaching and support staff structures, improving the facilities of the school to maximise the premises resources, and continue to use all resources and obtain best value for money efficiently and effectively.

The Headteacher is committed to maximising the achievements and potential of all students at the school by providing outstanding teaching, learning and pastoral leadership, management and support in a safe and well managed environment. The trustees and senior leadership team recognise the financial challenges ahead and will continue to steer the school through a changing and challenging funding future. The Headteacher's ethos of 'lead, inspire and make a difference' continues to be the main thrust of her tenure and will continue to lead and inspire the school through new curriculum changes and financial constraints and political systems. Kendrick School development plans (KSDP) continues to reflect the school's strategies and aims to mitigate for the disruption to the education and young lives of its students and its staff caused by the pandemic. Safeguarding continues to be of highest priority for all staff at the school.

Key drivers for the Kendrick School Development Plan

1. Education Recovery post pandemic – Continue to assess the impact of Covid-19 disruption to education and responding as required
2. Financial sustainability – respond and adapt a post pandemic global financial situation
3. Political agility - respond to the political context of governments in a post pandemic and global era
4. Organisational structure – respond to an expanding school
5. Environmental and Technological Duty– realising Kendrick's contribution to mitigate the impact of the Climate Crisis
6. Safe and inclusive school – the wellbeing of students and staff is central to all decision making

In the academic year 2022/23, following the success of the July 2022 Summer School, Kendrick School will launch another summer school. This will provide the forthcoming Year7 intake opportunities to meet and learn about the school, their teachers and their peers and its curriculum, providing plenty of opportunities to have fun and grow in confidence prior to their start in September 2023.

Kendrick School will progress its plans to collaborate with other local schools (primary and secondary) in 2022/23 for the benefit of students in Reading and the local area. From September 2022 Kendrick acquired another additional form of entry into Year 7 following the completion of the new teaching Horizons block built from the DfE's Selective School Expansion Fund. Student numbers will continue to grow in line with the new four form entry until 2024 when all year groups are complete.

Kendrick School will complete the renovation of Cedars' (Music & Drama building) roof and external fabric, having secured CIF funding in the 2022/23 bidding round. New bids will be submitted in December 2022 to repair other roof systems.

Securing government and private funds has enabled the school to achieve many of its strategic objectives and action many of the drivers for change. The school remains ambitious in securing its future objectives with the aim to:

- Provide accommodation that ensures Kendrick financial and academic sustainability.
- Provide accommodation that is environmentally and ergonomically sustainable. This will form part of our new sustainable energy strategic objective to become a carbon neutral school and move away from our reliance on gas and oil to more electric and renewable forms of energy by 2035, in line with government

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods (continued)

- objectives.
- Provide an IT infrastructure and network that is robust and adaptable to meet the ever increasing demands of the internet and cloud-based solutions for delivering the curriculum and school business solution efficiencies.
- Support PPG students to apply and gain a place at Kendrick School as part of the FAPP and Widening Horizons programme.
- Provide accommodation that facilitates the right environment for outstanding teaching and learning, e.g. heating, lighting, space, appropriate teaching spaces.
- Provide accommodation that keeps stakeholders safe e.g. secure fencing and walling and electronic solutions.
- Provide accommodation which encourages positive social interaction beyond the teaching domain e.g. canteen facilities, common rooms, staff rooms, school hall
- Comply with health and safety legislation and building regulations e.g. disability access, fire exits, planning permission, Grade II listed buildings.
- Provide accommodation that facilitates the use of technological teaching resources. E.g. BOYD, wireless connection.

Whilst the addition of the Horizons Building and other recent building projects have greatly improved the site and addressed many of the key strategic aims, ensuring the working and learning environment is fit for purpose is on-going and remains challenging in terms of funding and constraints of the site.

In the current economic and political climate, securing sufficient capital funding to address current key building issues remains a priority.

The Senior Leadership Team Capital group have identified areas of the school to address in 2022/23 academic and beyond:

- Poor access to Art and Cedars (Music & Drama). No lifts available
- Leaks in the Harness Room roof in an asbestos area.
- Covered walkway by Cedars exposing vulnerable wiring and cabling.
- Canteen space limited
- Leaks in the Observatory Sixth Form

The trustees and the SLT will continue to evaluate the site for additional accommodation and provide a learning environment that meets the teaching and learning and pastoral needs of the student and staff and addresses best practice regarding environmental sustainability and climate change.

The specific elements of the 2022/23 development plan sit in the wider context of the longer-term strategic direction agreed between the Trustees, Head Teacher and SLT.

The vision for the school is to lead, inspire, and make a difference to the lives of young people

- Lead everyone to grow and contribute
- Inspire staff students and parents to have a voice in the vision
- Make a difference to people's lives and the wider community.

Kendrick School aims to provide an excellent education for all its students in a safe and inclusive environment where students and staff can share a love of learning and enjoy satisfaction in their achievements. The school strives to promote confidence in its students based on shared values as expressed in the Kendrick Pledge, with a determination to embrace new challenges and the demands in an ever-changing world.

Greater emphasis will be given to increasing the amount of School Fund donations and accessing the skills and talents of the parents at Kendrick School. Increasing the amount of voluntary contributions from parents will ease

KENDRICK SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods (continued)

budgetary pressures for capital projects and equipment. A K21 Legacy fund which will build on the existing K21 fund –Kendrick in the 21st Century theme, will be developed to encourage former students to donate funds and leave a lasting legacy with the school.

Capital investment will be sought from the ESFA through the Condition Improvement Fund to address certain Health and Safety projects around the school, notably the roofs, asbestos and accessibility to the Art departments. As DfE capital funds are increasingly called upon, Kendrick School will pursue external fundraising organisations and alumni to help achieve its capital investments and vision. Meetings will be held to pursue collaboration with the 'Friends of Kendrick' to develop stronger networks with people and organisations that may want to affiliate themselves and sponsor business or academic activities at Kendrick School. Kendrick School will continue its membership of the Reading Teaching Alliance to enable fostering relationships with other schools and provide support.

Arising from the specific strategic objectives of the Kendrick School Development Plan (KSDP) the 2022/23 key objectives are:

- Continue to confirm and establish the school's values and ethos
- Maintain and develop teaching and learning to continue to give an outstanding educational experience to all students
- Developing staff and enhance accountability and responsibility
- Develop mutually advantageous relationships with local schools and families in areas of local deprivation to increase numbers of students from deprived/disadvantaged local areas of Reading to attend Kendrick School
- Pursue and develop the financial and business opportunities for the long-term financial stability of the school.

Funds held as custodian on behalf of others

The Kendrick School Fund generates its funding by parental voluntary donations. It is a registered charity with the Charity Commission (Charity Number 1040970) and makes donations to Kendrick School in accordance with its objects. The objects are to advance the education of the students at the school by engaging in activities which support the students and provide facilities and educational resources. The School Fund trustees are the Headteacher and Deputy Headteacher and all funds are kept separate from the school's funds. The School Fund accounts are audited to comply with the Charity Commission regulations.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

KENDRICK SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Auditor

The school will enter a tendering process for the appointment of external auditors for 2022/23 financial year end. The current auditors, Crowe U.K. LLP, will be able to bid for the tender in accordance with Section 487(2) of the Companies Act 2006.

The Report of the Trustees, incorporating a strategic report, was approved by the members of the Governing Body on 8th December 2022 and signed on its behalf by:

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 08-12-2022 and signed on its behalf by:



Mr K Miller
(Chair of Trustees)

KENDRICK SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge that we have overall responsibility for ensuring that Kendrick School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of Kendrick School. This enables us to ensure that the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of Kendrick School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities as well as provide reasonable assurance that:

- Kendrick School is operating efficiently and effectively.
- That assets of Kendrick School are safeguarded against unauthorised use or disposition.
- The proper records are maintained and financial information used within Kendrick School or for publication is reliable.
- Kendrick School complies with relevant laws and regulations.

Kendrick School'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 Resources Committee.
- Regular reviews by the Resources 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 defining purchasing (asset purchase or capital investment) guidelines.
- Identification and management of risks.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Kendrick School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

KENDRICK SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

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 3 times during the year. Given the Coronavirus and lockdown situation, meetings were conducted remotely by video conferencing apart from the Trustee Strategic Day held in March 2022.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C-L Cavaciuti	3	3
Mr J Chadwick	3	3
Mrs R Clarke	3	3
Mrs J Clays	2	3
Mrs C Cooper	1	3
Mrs J Drury	3	3
Mr J Duncan	3	3
Mrs K Hawaldar	1	1
Mr D Heslington	0	3
Ms C Kattirtzi, Headteacher	3	3
Miss H Kirk	1	3
Mr K Miller	3	3
Mr A Morris	3	3
Mrs J Nowecki, Chair of Governors	3	3
Mrs F Ramsay	1	3
Mr C Ramsden	2	3
Mrs N Sahay	0	3
Mr K Skipsey	3	3
Dr W Whittingham	3	3

The development and refinement of the school dashboard continues to take place to provide information on key areas of school progress and influence the direction and discussion of the Performance & Review Committee and Full Governing Body.

The annual Trustee Strategic Day in the Spring Term provides trustees and the senior leadership team an opportunity to present and discuss its strategic aims, update the vision for Kendrick School and provide an occasion for team building and greater collaboration between these key stakeholders. The 2021/22 Trustee Day provided an opportunity for trustees to self-review their performance, visit lessons and receive the latest updates on Ofsted. The strategic discussions centred on the formation or joining a multi academy trust (MAT), Kendrick's future plans for school-to-school collaboration and the governments strategy based on the Government White Paper. Presentations were also made on expanding the sixth form from 2025 and beyond, the Widening Horizons work and the current position of the four-form intake.

Trustees and the senior leadership team continue to attend seminars and meet with interested parties to investigate the right strategic direction for the school. Attendance continues to be very high and the overall experience stimulating.

The Governing Body carry out school walkabouts to visit meet students and visit lessons in order to understand its role and effectiveness in the life of the school. Engagement with the senior leadership team, staff, students, parents and the wider community is on-going. The Governing Body is confident that overall its current practices and procedures are robust to positively affect the performance of the school and enhance the lives and well-being of its students and staff. The governance self-review will take place every three years.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Resources Committee

The Resources Committee develops and maintains a long-term coherent vision and strategy for the school's accommodation and staffing needs to support the whole school development plan and budget plans. It reviews and approves balanced annual and rolling 3-year forecast budgets that support the school's strategic plan. The Committee recommends an annual budget within the school's strategic plan which is approved by the governing body. It receives regular reports from the school leadership team to monitor current expenditure against budget. The Resources Committee considers and agrees any revisions to the budget and discusses any other financial aspects of the school and ensures procedures are established for the monitoring and control alongside its other functions.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Chadwich	2	6
Mrs R Clarke	3	5
Mr J Duncan	5	6
Ms C Kattirtzi	6	6
Miss H Kirk	0	6
Mrs J Nowecki	4	6
Mr K Miller	5	6
Mrs F Ramsay	4	6
Mrs N Sahay	1	4
Mr K Skipsey	6	6

Review of value for money

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

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

1. Reviewing group sizes and subject choices to ensure that subjects taught at GCSE and A level are efficiently delivered.
2. Reorganisation of support staff to provide more effective deployment of staff for departmental and Sixth Form support.
3. A rationalisation wherever possible of Teaching and Learning responsibility points to reduce teaching staff costs.
4. Use of privately donated funding to improve areas of the site
5. Increase and/or sustain the numbers of 6th form students in 2021 and beyond.
6. Searching for new hirers of the Sports Hall and other school facilities to maximise lettings income and provided an essential additional revenue income.
7. Support the Kendrick Parents Society in all their endeavours to raise additional funds through fundraising events.
8. Negotiate new contracts to obtain better value for money e.g. Cleaning contract, MFD contract

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Kendrick School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in for the period 01 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the senior leadership team and the governing body.

An analysis of potential risk has been completed and strategies identified to control and manage risks to the Trust on a risk register.

The majority of risks identified on the risk register are low risks, as a result of

- policies and procedures put in place by directors to mitigate risks, including budget
- management and forecasting procedures
- the procurement of adequate insurance cover
- investing in staff training and continuing professional development
- a clear school improvement strategy to ensure the trust secure excellent outcomes for students
- the school maintains a large number of policies and procedures which protect staff, students and the trust, and reduce the risk of safeguarding failures

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body
- regular reviews by the Resources 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 purchasing 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 not to appoint an internal auditor. However, the trustees have appointed Crowe Clark Whitehill PPL (Crowe) the external auditor, to perform additional checks and act as a reviewer. Under the Academies Accounting Handbook regulations, during 2021/22 Kendrick School will source a new body to undertake the internal audit function.

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Crowe U.K. LLP, the external auditor, to perform additional checks.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

- testing of ESFA income and that it is appropriately recorded and controlled
- testing of purchasing and that it is appropriately recorded and controlled and are appropriate, proper and a regular use of public funds.

The internal assurance report 2021/22 produced by James Cowper Kreston PPL is reported to Performance & Review Committee.

On an annual basis Crowe will report to the board of trustees, through the Resources Committee on their audit findings and report on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities reviewed during their external audit review for the financial year end.

Principal risks identified by directors in the risk review were:

- Funding sustainability – With the introduction of the National Funding Formula, staffing, curriculum and premises strategies will be reviewed and implemented to bring about cost savings in line with new funding allocations.
- Whilst the government is determined that all schools should remain open, the threat of an Autumn wave of Covid-19 and disruption to the teaching and learning of the students remains a possibility. The school is working hard and adheres to the government guidance to ensure all staff and student remain safe and students can continue to enjoy the benefits of face-to face- teaching and being amongst their peers.

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on their behalf by:

08-12-2022

and signed on



Mr K Miller
Chair of Trustees



Ms C Kattirtzi
Accounting Officer

KENDRICK SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Kendrick School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Trust Handbook 2021.

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.



Ms C Kattirtzi
Accounting Officer
Date: 8 December 2022

KENDRICK SCHOOL
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 08-12-2022 and signed
on its behalf by:



Mr K Miller
(Chair of Trustees)

KENDRICK SCHOOL
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KENDRICK SCHOOL**

Opinion

We have audited the financial statements of Kendrick School (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust'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.

KENDRICK SCHOOL
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KENDRICK SCHOOL (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease

KENDRICK SCHOOL
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KENDRICK SCHOOL (CONTINUED)**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Academies Financial Handbook 2021 and the Academies Accounts Direction 2020 to 2021. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, sample testing on income recognised in the accounts, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

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

KENDRICK SCHOOL
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KENDRICK SCHOOL (CONTINUED)**

Use of our report

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

Alastair Lyon

Alastair Lyon (Senior statutory auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 9 December 2022

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

In accordance with the terms of our engagement letter dated 9 December 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kendrick School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Kendrick School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Kendrick School's funding agreement with the Secretary of State for Education dated 24 June 2015 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the Academy Trust;
- a review of Minutes of Committees and Board Meetings which may be relevant to regularity;
- consideration of discussions with key personnel, including the Accounting Officer and Governing Body;
- tests of control have been carried out on a control activity which are relevant to regularity
- substantive testing of individual transactions.

KENDRICK SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KENDRICK
SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe UK LLP

Reporting Accountant
Crowe U.K. LLP

Statutory Auditor

Date: 9 December 2022

KENDRICK SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
	Note					
Income from:						
Donations and capital grants	4	56,045	56,551	89,281	201,877	308,733
Other trading activities		144,599	-	-	144,599	50,987
Investments	7	225	4	-	229	198
Charitable activities		-	4,658,894	-	4,658,894	4,426,542
Total income		200,869	4,715,449	89,281	5,005,599	4,786,460
Expenditure on:						
Charitable activities	9	194,173	4,730,088	337,312	5,261,573	5,339,059
Total expenditure		194,173	4,730,088	337,312	5,261,573	5,339,059
Net income/(expenditure)		6,696	(14,639)	(248,031)	(255,974)	(552,599)
Transfers between funds	18	(6,778)	(27,955)	34,733	-	-
Net movement in funds before other recognised gains/(losses)		(82)	(42,594)	(213,298)	(255,974)	(552,599)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,861,000	-	1,861,000	(52,000)
Net movement in funds		(82)	1,818,406	(213,298)	1,605,026	(604,599)
Reconciliation of funds:						
Total funds brought forward		21,672	(1,912,988)	10,952,792	9,061,476	9,666,075
Net movement in funds		(82)	1,818,406	(213,298)	1,605,026	(604,599)
Total funds carried forward		21,590	(94,582)	10,739,494	10,666,502	9,061,476

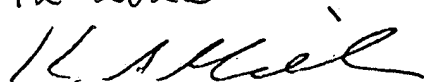
The Statement of financial activities includes all gains and losses recognised in the year.
The notes on pages 34 to 64 form part of these financial statements.

KENDRICK SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07494754

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	10,688,925	10,934,568
Current assets			
Debtors	16	151,195	140,596
Cash at bank and in hand		737,751	635,055
Short term deposits		200,000	200,000
		<u>1,088,946</u>	<u>975,651</u>
Creditors: amounts falling due within one year	17	(280,369)	(322,743)
Net current assets		<u>808,577</u>	<u>652,908</u>
Total assets less current liabilities		<u>11,497,502</u>	<u>11,587,476</u>
Defined benefit pension scheme liability	24	(831,000)	(2,526,000)
Total net assets		<u><u>10,666,502</u></u>	<u><u>9,061,476</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	10,739,494	10,952,792
Restricted income funds	18	736,418	613,012
Pension reserve	18	(831,000)	(2,526,000)
Total restricted funds	18	<u>10,644,912</u>	<u>9,039,804</u>
Unrestricted income funds	18	<u>21,590</u>	<u>21,672</u>
Total funds		<u><u>10,666,502</u></u>	<u><u>9,061,476</u></u>

The financial statements on pages 31 to 64 were approved by the Trustees, and authorised for issue on
08-12-2022 and are signed on their behalf, by:



Mr K Miller
(Chair of Trustees)

The notes on pages 34 to 64 form part of these financial statements.

KENDRICK SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	154,577	80,160
Cash flows from financing activities	21	(51,881)	71,095
Change in cash and cash equivalents in the year		102,696	151,255
Cash and cash equivalents at the beginning of the year		835,055	683,800
Cash and cash equivalents at the end of the year	22, 23	<u>937,751</u>	<u>835,055</u>

The notes on pages 34 to 64 form part of these financial statements

KENDRICK SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. General information

The principal activity of the Kendrick School is to provide secondary education for girls aged 11 to 18. The Trust is an exempt charity and a company limited by guarantee (company number: 07494754). It is incorporated and domiciled in the UK. The address of the registered office is Kendrick School, London Road, Reading, Berkshire, RG1 5BN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

2.2 Going concern

The Governors 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 company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

KENDRICK SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

Grants receivable 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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the year in which it is receivable (where there are no performance related conditions), where the receipt is probable and amount can be reliably measured.

- **Donations**

Donations are included in the statement of financial activities on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the goods have been provided or on completion of the service.

Interest receivable is included within the statement of financial activities on a receivable basis.

- **Donated goods, facilities and services**

In respect of buildings transferred to the Academy from its previous form as a Foundation School, the open market value of this has been included under the Restricted Fixed Asset Fund. The cost of the building is depreciated over 50 years.

KENDRICK SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.4 Expenditure

All 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 as activity. The cost 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 activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and no-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

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

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

KENDRICK SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Accounting policies (continued)

2.7 Tangible fixed assets

Assets costing £1,000 or more which have been acquired since the Academy was established 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.

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 the expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged 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 restricted fund.

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

Freehold land and buildings	- 2-4%
Fixtures and fittings	- 10%
Plant and machinery	- 10-20%
Computer equipment	- 33%

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

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

Impairment losses are recognised in the statement of financial activities.

2.8 Debtors

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

2.9 Cash at bank and in hand

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

KENDRICK SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.10 Liabilities

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

2.11 Provisions

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

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

2.12 Financial instruments

Kendrick School only holds financial instruments as defined by FRS102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

2.13 Operating leases

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

KENDRICK SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.14 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS') and the assets are held separately from those of the Academy Trust.

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

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

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

2.15 Fund accounting

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

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

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

KENDRICK SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2022. 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 asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

Other than LGPS income noted above, the Governors consider that there are no other material judgements in applying accounting policies or key sources of estimation uncertainty.

KENDRICK SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	56,045	38,792	31,144	125,981
Capital Grants	-	-	39,000	39,000
Other Capital Grants	-	-	19,137	19,137
Similar incoming resources	-	17,759	-	17,759
	<u>56,045</u>	<u>56,551</u>	<u>89,281</u>	<u>201,877</u>

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	69,999	32,734	-	102,733
Capital Grants	-	-	70,120	70,120
Other Capital Grants	-	-	135,880	135,880
	<u>69,999</u>	<u>32,734</u>	<u>206,000</u>	<u>308,733</u>

KENDRICK SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Funding for the Academy Trust's charitable activities

	Restricted funds 2022 £	Total funds 2022 £
Educational Operations		
DfE/ESFA grants		
General Annual Grant (GAG)	4,376,833	4,376,833
Other DfE/ESFA grants		
Other DfE/ESFA grants	180,452	180,452
	4,557,285	4,557,285
Other Government grants		
Other government grants	23,275	23,275
	23,275	23,275
Trip income	62,956	62,956
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	6,000	6,000
Emergency Support	9,378	9,378
	15,378	15,378
	4,658,894	4,658,894

KENDRICK SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Funding for the Academy Trust's charitable activities (continued)

	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Educational Operations		
DfE/ESFA grants		
General Annual Grant (GAG)	3,953,570	3,953,570
Other DfE/ESFA grants		
Other DfE/ESFA grants	282,213	282,213
	<u>4,235,783</u>	<u>4,235,783</u>
Other Government grants		
Other government grants	40,051	40,051
	<u>40,051</u>	<u>40,051</u>
Trip income	60,093	60,093
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	41,680	41,680
Emergency Support	48,935	48,935
	<u>90,615</u>	<u>90,615</u>
	<u><u>4,426,542</u></u>	<u><u>4,426,542</u></u>

6. Income from other trading activities

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Hire of facilities	135,930	135,930
Other facilities income	854	854
Examination fees	2,580	2,580
Other income	5,235	5,235
	<u>144,599</u>	<u>144,599</u>

KENDRICK SCHOOL
(A company limited by guarantee).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

6. Income from other trading activities (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Hire of facilities	43,143	43,143
Other facilities income	1,260	1,260
Insurance income	350	350
Examination fees	5,359	5,359
Other income	875	875
	<u>50,987</u>	<u>50,987</u>

7. Investment income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Bank interest	<u>225</u>	<u>4</u>	<u>229</u>

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Bank interest	<u>198</u>	<u>198</u>

KENDRICK SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Educational Operations:				
Direct costs	3,220,290	316,890	399,325	3,936,505
Allocated support costs	637,949	452,953	234,166	1,325,068
	<u>3,858,239</u>	<u>769,843</u>	<u>633,491</u>	<u>5,261,573</u>
	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Educational Operations:				
Direct costs	3,103,755	478,707	351,531	3,933,993
Allocated support costs	547,283	509,374	348,409	1,405,066
	<u>3,651,038</u>	<u>988,081</u>	<u>699,940</u>	<u>5,339,059</u>

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Educational Operations	<u>194,173</u>	<u>5,067,400</u>	<u>5,261,573</u>
	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Educational Operations	<u>47,384</u>	<u>5,291,675</u>	<u>5,339,059</u>

KENDRICK SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational Operations	<u>3,936,505</u>	<u>1,325,068</u>	<u>5,261,573</u>

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational Operations	<u>3,933,993</u>	<u>1,405,066</u>	<u>5,339,059</u>

Analysis of direct costs

	Activities 2022 £	Total funds 2022 £
Staff costs	3,211,987	3,211,987
Depreciation	316,890	316,890
Teaching consumables	220,263	220,263
Examination fees	83,987	83,987
Staff development	6,784	6,784
Educational visits	70,799	70,799
Other direct costs	17,492	17,492
Agency fees	8,303	8,303
	<u>3,936,505</u>	<u>3,936,505</u>

KENDRICK SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Activities</i> 2021 £	<i>Total</i> <i>funds</i> 2021 £
Staff costs	3,095,839	3,095,839
Depreciation	478,707	478,707
Teaching consumables	239,409	239,409
Examination fees	89,869	89,869
Staff development	8,402	8,402
Educational visits	324	324
Other direct costs	13,527	13,527
Agency fees	7,916	7,916
	<u>3,933,993</u>	<u>3,933,993</u>

KENDRICK SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2022 £	Total funds 2022 £
Staff costs	637,949	637,949
Recruitment and support	14,511	14,511
School activities	37,880	37,880
Maintenance of premises and equipment	328,749	328,749
Cleaning	94,218	94,218
Rent and rates	38,153	38,153
Insurance	23,406	23,406
Security and transport	8,040	8,040
Professional and consultancy costs	22,414	22,414
Postage and packaging	1,260	1,260
Catering	28,503	28,503
Bank interest and charges	160	160
Staff development	7,447	7,447
IT and admin costs	39,950	39,950
Other support costs	17,312	17,312
Governance costs	25,116	25,116
	<u>1,325,068</u>	<u>1,325,068</u>

KENDRICK SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Activities 2021 £</i>	<i>Total funds 2021 £</i>
Staff costs	547,283	547,283
Recruitment and support	15,148	15,148
School activities	138,384	138,384
Maintenance of premises and equipment	362,257	362,257
Cleaning	91,133	91,133
Rent and rates	52,537	52,537
Insurance	16,855	16,855
Security and transport	9,119	9,119
Professional and consultancy costs	19,625	19,625
Postage and packaging	2,308	2,308
Catering	10,664	10,664
Bank interest and charges	192	192
Staff development	3,126	3,126
IT and admin costs	34,818	34,818
Other support costs	79,673	79,673
Governance costs	21,944	21,944
	<u>1,405,066</u>	<u>1,405,066</u>

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	28,893	44,261
Depreciation of tangible fixed assets	316,890	478,707
Fees paid to auditor for:		
- audit	15,325	15,045
- other services	3,852	3,455
	<u>3,852</u>	<u>3,455</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	2,772,941	2,644,453
Social security costs	261,714	252,378
Pension costs	815,281	746,291
	<u>3,849,936</u>	<u>3,643,122</u>
Agency staff costs	8,303	7,916
	<u>3,858,239</u>	<u>3,651,038</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2021: £Nil).

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	54	54
Administration and support	37	36
Leadership	7	6
	<u>98</u>	<u>96</u>

c. Higher paid staff

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

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Staff (continued)

c. Higher paid staff (continued)

	2022 No.	2021 No.
In the band £60,001 - £70,000	2	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £633,382 (2021 - £523,611).

13. Trustees' remuneration and expenses

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

		2022 £	2021 £
Ms C Kattirtzi, Headteacher	Remuneration	95,000 -	95,000 -
		100,000	100,000
	Pension contributions paid	20,000 -	10,000 -
Mrs C Cooper		25,000	15,000
	Remuneration	45,000 -	45,000 -
		50,000	50,000
Mr J Duncan	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
	Remuneration	35,000 -	-
Mrs C-L Cavaviuti (appointed 4 November 2021)		40,000	-
	Pension contributions paid	5,000 -	-
		10,000	-
	Remuneration	10,000 -	-
		15,000	-
	Pension contributions paid	0 - 5,000	-

During the year, retirement benefits were accruing to 4 Trustees (2021 - 4) in respect of defined contribution pension schemes.

During the year ended 31 August 2022, travel and subsistence expenses totalling £212 were reimbursed or paid directly to 3 Trustees (2021 - £100 to 1 Trustee).

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14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance cost for the year ended 31 August 2022 was £2,000 (2021 - £1,800). The cost of this insurance is included in the total insurance cost.

15. Tangible fixed assets

	Freehold Land £	Freehold buildings £	Furniture £	Computer equipment £	Other £	Total £
Cost or valuation						
At 1 September 2021	811,489	12,168,779	82,177	868,822	1,745,281	15,676,548
Additions	-	-	9,775	30,041	31,431	71,247
At 31 August 2022	811,489	12,168,779	91,952	898,863	1,776,712	15,747,795
Depreciation						
At 1 September 2021	-	2,233,542	27,178	807,271	1,673,989	4,741,980
Charge for the year	-	251,995	8,711	38,352	17,832	316,890
At 31 August 2022	-	2,485,537	35,889	845,623	1,691,821	5,058,870
Net book value						
At 31 August 2022	811,489	9,683,242	56,063	53,240	84,891	10,688,925
At 31 August 2021	811,489	9,935,237	54,999	61,551	71,292	10,934,568

Included within Freehold Land and Buildings is recognition of the value of the land and buildings transferred to the Academy from its predecessor form as a Foundation School. In 2012 the Academy received a site valuation from the ESFA on a Depreciated Replacement Cost basis (undertaken by Drivers Jonas Deloitte). The Governors believe this basis of valuation to be more appropriate than the previous insurance valuation; as such the Freehold Land and Buildings was adjusted to reflect this valuation and that the Academy had utilised these assets for 2 financial years.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Debtors

	2022 £	2021 £
Trade debtors	12,469	9,886
Other debtors	20,458	61,694
Prepayments and accrued income	118,268	69,016
	<u>151,195</u>	<u>140,596</u>

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	106	50,388
Other taxation and social security	71,218	64,506
Other creditors	12,465	56,864
Accruals and deferred income	196,580	150,985
	<u>280,369</u>	<u>322,743</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted funds	21,672	200,869	(194,173)	(6,778)	-	21,590
Restricted general funds						
General Annual Grant	426,494	4,369,479	(4,335,801)	112,144	-	572,316
Other grants	117,840	211,081	(81,882)	(140,089)	-	106,950
COVID-19 Emergency support	-	9,378	(9,378)	-	-	-
COVID-19 Catch Up Premium	2,947	6,000	(6,000)	-	-	2,947
Other restricted funds	65,731	119,511	(131,027)	(10)	-	54,205
Pension reserve	(2,526,000)	-	(166,000)	-	1,861,000	(831,000)
	<u>(1,912,988)</u>	<u>4,715,449</u>	<u>(4,730,088)</u>	<u>(27,955)</u>	<u>1,861,000</u>	<u>(94,582)</u>
Restricted fixed asset funds						
In kind support - buildings	10,934,568	-	(316,890)	71,247	-	10,688,925
DfE/ESFA Capital grants	18,224	19,137	-	(13,184)	-	24,177
Private capital grants	-	70,144	(20,422)	(23,330)	-	26,392
	<u>10,952,792</u>	<u>89,281</u>	<u>(337,312)</u>	<u>34,733</u>	<u>-</u>	<u>10,739,494</u>
Total Restricted funds	<u>9,039,804</u>	<u>4,804,730</u>	<u>(5,067,400)</u>	<u>6,778</u>	<u>1,861,000</u>	<u>10,644,912</u>
Total funds	<u><u>9,061,476</u></u>	<u><u>5,005,599</u></u>	<u><u>(5,261,573)</u></u>	<u><u>-</u></u>	<u><u>1,861,000</u></u>	<u><u>10,666,502</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

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

Restricted General Funds – primarily representative of ESFA grants (including GAG), which must be used to meet the cost of running Kendrick School. Within the Restricted General fund are funds called 'Other restricted funds'. These relate to previously named 'private funds' representing school activities and educational trips.

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

Restricted Fixed Asset Funds – representative of the value of fixed assets held within the School for use in achieving charitable objectives. The transfer figure of £71,247 (2021: (£39,221)) is comprised of net fixed assets additions in the year.

Unrestricted Funds - represents income generated by the school (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

The trust is carrying a net surplus of £736,078 on restricted general funds (excluding pension reserve) plus unrestricted funds to mitigate budget pressures and changes to financial funding formulas in subsequent years.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds					
Unrestricted funds	9,263	121,184	(47,384)	(61,391)	21,672
Restricted general funds					
General Annual Grant	383,934	3,953,570	(4,011,500)	100,490	426,494
Other grants	95,442	322,264	(299,866)	-	117,840
COVID-19 Emergency support	-	48,935	(48,935)	-	-
COVID-19 Catch Up Premium	-	41,680	(38,733)	-	2,947
Other restricted funds	111,271	92,827	(138,489)	122	65,731
Pension reserve	(2,274,000)	-	(200,000)	(52,000)	(2,526,000)
	<u>(1,683,353)</u>	<u>4,459,276</u>	<u>(4,737,523)</u>	<u>48,612</u>	<u>(1,912,988)</u>
Restricted fixed asset funds					
In kind support - buildings	11,348,292	-	(478,707)	64,983	10,934,568
DfE/ESFA Capital grants	(43,589)	135,880	-	(74,067)	18,224
Private capital grants	35,462	70,120	(75,445)	(30,137)	-
	<u>11,340,165</u>	<u>206,000</u>	<u>(554,152)</u>	<u>(39,221)</u>	<u>10,952,792</u>
Total Restricted funds	<u>9,656,812</u>	<u>4,665,276</u>	<u>(5,291,675)</u>	<u>9,391</u>	<u>9,039,804</u>
Total funds	<u><u>9,666,075</u></u>	<u><u>4,786,460</u></u>	<u><u>(5,339,059)</u></u>	<u><u>(52,000)</u></u>	<u><u>9,061,476</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	10,688,925	10,688,925
Current assets	21,590	1,016,787	50,569	1,088,946
Creditors due within one year	340	(280,709)	-	(280,369)
Provisions for liabilities and charges	-	(831,000)	-	(831,000)
Difference	(340)	340	-	-
Total	21,590	(94,582)	10,739,494	10,666,502

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	10,934,568	10,934,568
Current assets	21,672	935,755	18,224	975,651
Creditors due within one year	-	(322,743)	-	(322,743)
Provisions for liabilities and charges	-	(2,526,000)	-	(2,526,000)
Total	21,672	(1,912,988)	10,952,792	9,061,476

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(255,974)	(552,599)
Adjustments for:		
Depreciation	316,890	478,707
Interest receivable	(229)	(198)
Defined benefit pension scheme finance cost	166,000	200,000
(Increase)/decrease in debtors	(10,599)	20,893
(Decrease)/increase in creditors	(42,374)	69,237
Capital grants from DfE and other capital income	(19,137)	(135,880)
Net cash provided by operating activities	154,577	80,160

21. Cash flows from financing activities

	2022 £	2021 £
Interest received	229	198
Purchase of tangible fixed assets	(71,247)	(64,983)
Capital grants received	19,137	135,880
Net cash (used in)/provided by financing activities	(51,881)	71,095

22. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	737,751	635,055
Short term deposits	200,000	200,000
Total cash and cash equivalents	937,751	835,055

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	835,055	102,696	937,751
	<u>835,055</u>	<u>102,696</u>	<u>937,751</u>

24. Pension commitments

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

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

Contributions amounting to £Nil were payable to the schemes at 31 August 2022 (2021 - £56,864) and are included within creditors.

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £474,898 (2021 - £445,728).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £159,230 (2021 - £145,267), of which employer's contributions totalled £123,415 (2021 - £111,710) and employees' contributions totalled £ 35,815 (2021 - £33,557). The agreed contribution rates for future years are 18.6 per cent for employers and from 5.5 to 12.5 per cent for employees.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.05	3.90
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.0	21.3
Females	23.8	21.4
<i>Retiring in 20 years</i>		
Males	22.3	22.6
Females	25.3	25.4

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	2,786	4,281
Discount rate -0.1%	2,895	4,454
Mortality assumption - 1 year increase	2,935	4,555
Mortality assumption - 1 year decrease	2,748	4,187
CPI rate to 1%	2,892	4,446
CPI rate -0.1%	2,789	4,290

Share of scheme assets

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24. Pension commitments (continued)

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

	At 31 August 2022 £000	At 31 August 2021 £000
Equities	1,257	1,124
Other bonds	310	328
Property	269	217
Cash	34	38
Target return portfolio	3	80
Infrastructure	218	158
Longevity insurance	(82)	(104)
Total market value of assets	2,009	1,841

The actual return on scheme assets was £122,000 (2021 - £192,000).

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

	2022 £000	2021 £000
Current service cost less employer contributions	154	264
Finance cost	32	34
Administrative expenses	2	1
Total amount recognised in the Statement of financial activities	188	299

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

	2022 £000	2021 £000
At 1 September	4,367	3,821
Current service cost	323	274
Interest cost	72	59
Employee contributions	36	40
Estimated benefits paid (net of transfers in)	(97)	(46)
Change in financial assumptions	(1,816)	345
Experience (gain)/loss on defined benefit obligation	7	(76)
Change in demographic assumptions	(52)	(50)
At 31 August	2,840	4,367

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24. Pension commitments (continued)

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

	2022 £000	2021 £000
At 1 September	1,841	1,547
Expected return on assets	91	167
Interest income	31	25
Employee contributions	36	40
Employer contributions	109	109
Estimated benefits paid (net of transfers in)	(97)	(46)
Administrative expenses	(2)	(1)
At 31 August	2,009	1,841

25. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	26,086	26,893
Later than 1 year and not later than 5 years	49,327	43,737
Later than 5 years	2,625	1,492
	78,038	72,122

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

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27. Related party transactions

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

During the year, there were no businesses awarded contracts with which a governor had an interest.

Close family members of key management personnel are paid a total salary of £4,035.