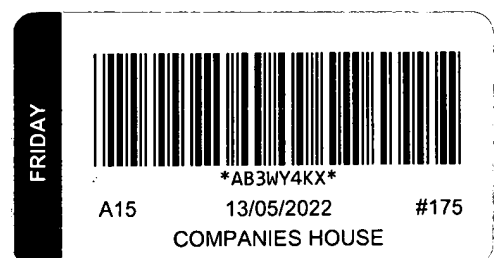


Company Limited by Guarantee
Registration number: 07494754 (England and Wales)

KENDRICK SCHOOL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



**KENDRICK SCHOOL
CONTENTS TO THE FINANCIAL STATEMENTS**

	Page
Reference and Administration Information	1
Governors' Report	2- 15
Governance Statement	16 -18
Statement on Regularity, Propriety and Compliance	19
Statement of Governors' Responsibilities	20
Independent Auditors' Report on the Financial Statement	21-24
Independent Auditors' Report on Regularity	25-26
Statement of Financial Activities incorporating Income & Expenditure Account	27
Balance Sheet	29
Cash Flow Statement	29
Notes to the Financial Statements, incorporating: Statement of Accounting Policies Other Notes to the Financial Statement	30 - 53

KENDRICK SCHOOL
REFERENCE AND ADMINISTRATION INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2021

Members	Mrs J Clays Mr K Miller Mrs J Nowecki Mr C Ramsden Mr W Whittingham
Governors	Mr J Chadwick Mrs J Clays Mrs C Cooper Mr J Duncan (appointed 01 January 2021) Professor D Fuschi Mr S Gopal – resigned 21 May 2021 Mr D Heslington Ms C Kattirtzi (Headteacher- ex-officio) Mr K Miller Mrs J Nowecki – (Chair of Governors) Mr C Ramsden Mrs F Ramsay Mrs N Sahay Mr K Skipsey Mrs D Smith (resigned 15 December 2020) Miss S Swaine (resigned 23 November 2020) Dr W Whittingham (re-appointed 01 October 2020) Mr M Wilson (resigned 12 July 2021)
Company Secretary	Mrs I M C Sandy
Key management personnel	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 Ms Y Le Croisette – SLT Support
Registered Office	Kendrick School London Road Reading Berkshire RG1 5BN
Company Registration Number	07494754
Auditors	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

KENDRICK SCHOOL

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 AUGUST 2021

The Governors, 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 2021. 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 30-34 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 2021 Kendrick School census there were 803 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 as 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

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 Governors 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.

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.

Governors' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect the Governors, 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 12, professional indemnity insurance is paid on behalf of the governors of the School.

Governors

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

Method of Recruitment and Appointment of Governors

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

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

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

KENDRICK SCHOOL
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2021

Policies and Procedures Adopted for the Induction and Training of Governors

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

Organisational Structure

There are five Members of the Academy Trust which includes the Chair of Governors. 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 Governors 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.

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.

KENDRICK SCHOOL
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2021

Trade Union Facility Time

Under the provisions of the Trade Union (Facility Time Publication Requirement) Regulations 2017 the following information is disclosed:

Relevant Union Officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£288.60
Provide the total pay bill	£2,726,860
Provide the percentage of the total pay bill spent	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.53%
---	-------

KENDRICK SCHOOL

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 AUGUST 2021

Connected Organisations including Related Party Relationships

Kendrick School maintains strong relationships with other Reading based schools in order to provide support, collaborate and share good practice. Given the pandemic and the disruption to schooling and education, Kendrick School has not continued with exploratory discussions to form a multi academy trust (MAT) with other schools in Reading. However, during 2019/20 in collaboration with another secondary school and primary school two applications were submitted to form a Trust opening in 2020, but both were declined by the RSC.

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. Given the lockdown situation caused by the Covid19 pandemic, the school's usual support in providing invigilator training to other schools across the South could not take place during the 2020/21 academic year. Likewise, the deputy Headteacher was not able to provide his services as an Ofsted inspector.

Objectives and Aims of Kendrick School

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 governors, 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.

KENDRICK SCHOOL

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 AUGUST 2021

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 Governors 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.

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.

- At A Level, 32% of grades awarded were at A* and 90% A* to B.
- 54% of GCSE grades were awarded at grade 9 and 81% at grades 8&9.
- There are rightly no national performance tables or value-added calculations this year.
- It is very difficult to see from the tracking data that UCAS provides how many university places in 2020 are original firm choices, insurance choices or clearing places. The school believes that 77 firm choices and 14 conditional choices were secured, 13 students are not placed leaving 19 who have places through clearing. All 10 offered Oxford places were secured and 2 of the 3 Cambridge places. 18 out of 22 medicine places were secured.

Donations from the Kendrick School Fund totalling £15,000 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. It provided funding for the printing and publication of the school magazine 'Happy News'. The school prides itself on its academic prowess and the School Fund provides opportunities to compete nationally at Science and Mathematics Olympiads.

Science grants totalling £40,051 were received during 2020/21 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. A further £200,000 was secured from the Kendrick Trust and the Kendrick School Fund. In March 2019 building work began on a new teaching block. The building project was completed in August 2020 after a few months delay due to the lockdown situation caused by the Coronavirus pandemic. The new Horizons Building provides 9 classrooms and a canteen eating area for Years 7 and 8 as well as staff working spaces. Given the disruption to education caused by the Covid-19 pandemic, the Horizons building not only provided essential new accommodation for the expanding student population, but also facilities where students could safely remain in 'bubbles' and help shield from other year groups.

KENDRICK SCHOOL

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020/21.

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. The school purchased a number of keyboards and a digital piano to has extended the music skills and repertoire of students.

Key Performance Indicators

Students Attainment

Key Indicator	2020/1/2	2022/23 Trends/Targets
Pupil Number in 6 th form	282 (2021/22 – 284)	280
Numbers on Roll	803 (2021/22 – 837)	864
Attendance	97% Whole School up to 3/5/21	96% minimum threshold
UCAS Predictions	n/a this year - TAG	Similar results expected
Statutory Issues	0	0
Quality of Teaching, Learning and Assessment	Outstanding	Outstanding
Parental Grievances	0	0
Progress 8	n/a this year	Greater than 0.5
A2 A/A* %	3 Year Average – 68% 2017.18.19	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

2021 Public Examinations

This year schools were asked to submit Teacher Assessed Grades. Kendrick School followed its Centre Policy to the letter, including subjecting all the grades to an internal quality assurance process before they were submitted. The examination boards took a sample of grades and their associated evidence for their external quality assurance process. All our grades were accepted without changes by the examination boards and issued on results days in the summer.

This year 118 of the year 13 and 14 students have university places starting this autumn, 7 have places starting next year and 18 are unplaced. These 18 are a mixture of those with no offers and those who have better than expected grades and are reapplying to different courses

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.

KENDRICK SCHOOL

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 AUGUST 2021

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 governors remained concerned at the financial constraints and budget pressures due to government funding and the impact of Covid-19. 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. Despite obvious and critical roof repairs needed for the Cedars building, the school was unsuccessful securing CIF capital funding for the roof and other urgent external repairs to the building.

The introduction of the new National Funding Formula and the attendant risk of further budget reductions due to the incorporation of Teachers' pension and pay grants 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.

Promoting the success of Kendrick School

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.

FINANCIAL REVIEW

The Academy received income into its Unrestricted Fund, Restricted General Fund, Restricted Fixed Asset Fund and Restricted Other Fund during 2020/21

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 £4,366,449; expenditure against the fund was £4,399,034, giving a net outflow of resources of £32,585 (before transfers to the Restricted Fixed Asset Fund and accounting for the pension deficit. The resultant restricted revenue fund carried forward is £547,402.

Unrestricted Fund

Income received into the Unrestricted Fund was £121,184. This was predominantly attributable to the generation of own funds within Kendrick School, including £43,143 arising from hiring of facilities. It also includes £15,000 of donations made to school without specific instructions for use. Expenditure and transfers against the fund was £108,775 for the year giving an Unrestricted Fund carry forward of £21,672.

Restricted Fixed Asset Fund

Income received into the Restricted Fixed Asset Fund relates to capital grants received from the ESFA and private funds of £206,000.

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.

KENDRICK SCHOOL

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 AUGUST 2021

Summary of Financial Performance and Position

Fund balances as at 31 August 2021 totalled £9,061,476. This is comprised of £21,672 of Unrestricted Funds, £(1,978,598) (deficit) of Restricted General Funds (after accounting for total pension deficit of £2,526,000) and £10,952,792 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 £10,934,567 as at 31 August 2021. The movement in this account is detailed in note 14.

Cash in hand at 31 August 2021 was £635,055. 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 £2,526,000. On the balance sheet, this is offset by the Academy's reserves.

Reserves Policy

The Governors 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 Governors 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 Governors' 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 Governors 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 £2,526,000 has been recognised in the accounts as a provision; this does not represent an immediately realisable liability that requires payment.

The Governors 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 2021 were £21,672 (being unrestricted funds). The Academy intends to continue building free reserves until the £ level needed is reached.

KENDRICK SCHOOL
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors 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 2021

Restricted:	GAG	£426,616
	Other	£120,787

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.

Investment Policy

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

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The Governors 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.

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

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 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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.

**KENDRICK SCHOOL
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2021**

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

Under the Academies Accounting Handbook regulations, during 2020/21 Kendrick School has appointed James Cowper Kreston PPL to complete internal assurance work.

The internal assurance report 2020/21 produced by James Cowper Kreston PPL is reported to the Performance and 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 possible local or national lockdown due to the Covid-19 pandemic and the disruption to the teaching and learning of the students remains tangible. 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.

KENDRICK SCHOOL

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 AUGUST 2021

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, notelets 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 participants 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.

PLANS FOR FUTURE YEARS

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 governors 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) reflects the school's strategies and aims to mitigate for the disruption to the education and young lives of its students and its staff. Safeguarding continues to be of highest priority for all staff at the school.

In the academic year 2021/22, following the success of the July 2021 Summer School, Kendrick School plans to 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 2022.

Allowing for the disruption of the Covid-19 pandemic, Kendrick School will progress its plans to collaborate with other local schools (primary and secondary) in 2021/22 for the benefit of students in Reading and the local area. From September 2021 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
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2021

Securing government and private funds has enabled the school to achieve many of its strategic objectives and actioned 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 objectives.
- 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.

More recently a whole school SLT building site review has highlighted access weaknesses to key teaching blocks:

- No lift access to Art and Cedars (Music & Drama).
- Poor circulation and access to kerbs and pavements for wheelchair users

The governors and the SLT will be inviting external qualified access & disability engineering surveyors to provide a report to help governors and SLT prioritise funding and projects to mitigate any accessibility weaknesses and ensure easier access and equality of movement for all stakeholders.

The governors 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 2021/22 development plan sit in the wider context of the longer-term strategic direction agreed between the Governors, 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.

KENDRICK SCHOOL
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2021

Key drivers for this overarching strategy stem from:

1. **Education Recovery post pandemic** - assess the impact of Covid-19 disruption to education and responding as required
2. **Financial sustainability** – respond and adapt a post pandemic financial programme
3. **Political agility** - respond to the political context of governments in a post pandemic 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

Arising from the above drivers the following strategic objectives have been identified:

- Regular review of the curriculum offer to ensure the aims of the school are met to the greatest extent possible within the imposed financial constraints
- Maintain and develop teaching and learning to remain a top performing school in public examinations
- Regular review of staffing responsibilities to develop middle leaders and encourage devolution of responsibility
- Identification of opportunities to lessen the administrative burden on staff to offset increased levels of contact time resulting from cost-cutting measures
- Develop mutually advantageous relationships with local schools in areas of local deprivation
- Assess the viability of increasing student numbers with a focus on encouraging more qualifying students from deprived local areas to attend.

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 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 critical state of the roof, external fabric and the back wall and areas around Cedars House. The deterioration of the external fabric of the Creative Arts buildings continues to be a concern for the school. If the CIF appeal is unsuccessful the school will submit another bid in December 2021 in the hope that government capital grants can be secured. 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 2021/22 key objectives are:

- the assessment and planned school response to Covid-19 school closure on the teaching and learning outcomes of the students
- the review of the curriculum offer
- the adoption of a therapeutic approach to inclusion and behaviour that creates a positive learning environment and leads to pro social behaviours
- to maintain the Fair Access and Partnership Plan (FAPP) thereby fulfilling the remit of Kendrick's New Horizons strategy of admitting more qualifying students from deprived/disadvantaged local areas of Reading
- to maximise funding opportunities and provide outstanding teaching and learning opportunities to more students by attracting and retaining students at all key stages.

**KENDRICK SCHOOL
REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2021**

Funds Held as Custodian Trustee 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 reviewed to comply with the Charity Commission regulations.

DISCLOSURE OF INFORMATION TO AUDITORS

The Governors who held office at the date of approval of this Governors' report confirm that so far as they are aware, there is no relevant audit information of which the Academy's auditors are unaware, and each Governor has taken all steps that he/she ought to have taken as a Governor to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors 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.

The school will enter a tendering process for the appointment of external auditors for 2021/22 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 Governors, incorporating a strategic report, was approved by the members of the Governing Body on 9th December 2021 and signed on its behalf by:



.....
Mrs Jan Nowecki
Chair of Governors

KENDRICK SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

As Governors, 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 governing body 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 governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The governing body has formally met three times during the year. Given the Coronavirus and lockdown situation, meetings were conducted remotely by video conferencing apart from the Governor Strategic Day held in May 2021. Attendance during the year at meetings of the governing body was as follows:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr J Chadwick	3	3
Mrs J Clays	2	3
Mrs C Cooper	3	3
Mr J Duncan	2	2
Mr S Gopal	0	2
Mr D Heslington	3	3
Ms C Kattirtzi	2	3
Miss H Kirk	3	3
Mr K Miller	3	3
Mrs J Nowecki	3	3
Mrs F Ramsay	1	3
Mr C Ramsden	3	3
Mrs N Sahay	3	3
Mr K Skipsey	2	3
Mrs D Smith	0	1
Ms S Swaine	0	0
Dr W Whittingham	2	3
Mr M Wilson	2	3

KENDRICK SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

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 Governor Day in the Spring Term normally provides governors 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 2019/20 Governor Day did not take place due to lockdown and the Coronavirus pandemic. Meetings have been held remotely and centred about the Business Continuity plan, remote teaching and learning and students' progress, engagement and attainment. Discussions regarding the formation of a multi academy trust (MAT) with a primary and secondary school have been largely shelved. Governors and the senior leadership team continue to attend seminars and meet with interested parties to investigate the right course of action for the school. Attendance continues to be very high and the overall experience stimulating.

Prior to lockdown the Governing Body had undertaken 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.

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.

During the year 2020/21 six Resources meetings were scheduled. Due to the Coronavirus situation the March 2020 Resources meeting was cancelled but all reports were available on Governor Hub. One new Governor joined the committee. Attendance at Resources meetings in the year was as follows:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr J Chadwick	5	6
Mr J Duncan	3	4
Ms C Kattirtzi	4	4
Miss H Kirk	2	6
Mrs J Nowecki	6	6
Mr K Miller	5	6
Mrs F Ramsay	6	6
Mrs N Sahay	5	6
Mr K Skipsey	4	6
Mrs D Smith	4	4

**KENDRICK SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

Review of Value for Money

As accounting officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value for 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 2020 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.

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 period 01 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.


Review of Effectiveness

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

- the work of the external auditor.
- the financial management and governance self-assessment process.
- the work of the Headteacher and School Business Manager within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications arising from a review of the system of internal control by the Resources and Performance and Review 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 Governing Body on and signed on its behalf by:


.....
Mrs Jan Nowecki
Chair of Governors


.....
Ms Christine Kattirtzi
Accounting Officer

9 December 2021

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

As Accounting Officer of Kendrick School Academy Trust I have considered my responsibility to notify the academy trust governing body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

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

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



.....
Ms Christine Kattirtzi
Accounting Officer

Date: 9 December 2021

KENDRICK SCHOOL
STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors (who are also the trustees and serve as directors of the charitable company, Kendrick School for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the Governors are required to:

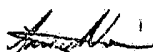
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2020 to 2021.
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Governors 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 governing body on 9th December 2021 and signed on its behalf by:



.....
Mrs Jan Nowecki
Chair of Governors

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KENDRICK SCHOOL

Opinion

We have audited the financial statements of Kendrick School for the year ended 31 August 2021 which comprise the Statement of financial activities incorporating income and expenditure account, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2018 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2018 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis of opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that governor's 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 group'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 governors with respect to going concern are described in the relevant sections of this report

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KENDRICK SCHOOL (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KENDRICK SCHOOL (CONTINUED)

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

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

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

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.

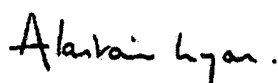
**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS
TO THE MEMBERS OF KENDRICK SCHOOL (CONTINUED)**

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.

Use of our report

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



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: 10 December 2021

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 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Kendrick School's and the reporting accountant

The is responsible, under the requirements of Kendrick School's funding agreement with the Secretary of State for Education dated 24 June 2015, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by the 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.

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

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.

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

Conclusion

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

Carey V. L. L.

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

Date: 10 December 2021

KENDRICK SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Notes	Un- restricted Funds £	Restricted Funds General £	Restricted Fixed Asset Funds £	2021 Total £	2020 Total £
Income and Endowments						
Donations and capital grants	3	69,999	32,734	70,120	172,853	212,204
<i>Charitable activities:</i>						
Funding for the Academy's educational operations	6	-	4,426,542	135,880	4,562,422	5,667,848
Other trading activities	4	50,987	-	-	50,987	100,771
Investments	5	<u>198</u>	<u>-</u>	<u>-</u>	198	<u>1,688</u>
Total		<u>121,184</u>	<u>4,459,276</u>	<u>206,000</u>	<u>4,786,460</u>	<u>5,982,511</u>
Expenditure on:						
<i>Charitable activities:</i>						
Academy's educational Operations	7	<u>47,384</u>	<u>4,737,523</u>	<u>554,152</u>	<u>5,339,059</u>	<u>5,026,807</u>
Total	7	<u>47,384</u>	<u>4,737,523</u>	<u>554,152</u>	<u>5,339,059</u>	<u>5,026,807</u>
Net income/(expenditure)		73,800	(278,247)	(348,152)	(552,599)	955,704
Gross transfers between funds	17	(61,391)	100,612	(39,221)	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	<u>-</u>	<u>(52,000)</u>	<u>-</u>	<u>(52,000)</u>	<u>(444,000)</u>
Net movement in funds		<u>12,409</u>	<u>(229,635)</u>	<u>(387,373)</u>	<u>(604,599)</u>	<u>511,704</u>
Funds brought forward at 1 September 2020		9,263	(1,683,353)	11,340,165	9,666,075	9,154,371
Funds carried forward at 31 August 2021	17	<u>21,672</u>	<u>(1,912,988)</u>	<u>10,952,792</u>	<u>9,061,476</u>	<u>9,666,075</u>

All the Academy's activities are derived from continuing operations during the above financial year.

The notes on pages 30 – 53 form part of these financial statements

KENDRICK SCHOOL
BALANCE SHEET
31 AUGUST 2021
COMPANY NUMBER: 07494754

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	<u>10,934,568</u>	<u>11,348,292</u>
Current assets			
Debtors	15	140,596	161,489
Cash at bank and in hand		635,055	483,800
Short term deposits		<u>200,000</u>	<u>200,000</u>
		975,651	845,289
Current liabilities			
CREDITORS: amounts falling due within one year	16	<u>(322,743)</u>	<u>(253,506)</u>
Net current assets		<u>652,908</u>	<u>591,783</u>
Total assets less current liabilities		<u>11,587,476</u>	<u>11,940,075</u>
Pension scheme liability	27	<u>(2,526,000)</u>	<u>(2,274,000)</u>
Net assets including pension liability		<u>9,061,476</u>	<u>9,666,075</u>
Restricted funds			
General fund		613,012	590,647
Pension deficit		(2,526,000)	(2,274,000)
Fixed asset fund		<u>10,952,792</u>	<u>11,340,165</u>
Total restricted funds		9,039,804	9,656,812
Unrestricted funds			
General funds		<u>21,672</u>	<u>9,263</u>
Total funds	17	<u>9,061,476</u>	<u>9,666,075</u>

The financial statements were approved by the Governors and authorised for issue on 9 December 2021 and are signed on their behalf by:



.....
Mrs Jan Nowecki
Chair of Governors

The notes on pages 30 – 53 form part of these financial statements

KENDRICK SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
Cash Flows from Operating Activities	22	80,160	34,311
Cash Flows From Financing Activities	23	<u>71,095</u>	<u>(596,168)</u>
Change in cash and cash equivalents in the year		151,255	(561,857)
Cash and cash equivalents at the beginning of the year		<u>683,800</u>	<u>1,245,657</u>
Total cash and cash equivalents at the end of the year	24	<u>£ 835,055</u>	<u>£ 683,800</u>

The notes on pages 30 - 53 form part of these financial statements

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

1. CHARITY 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

Basis of preparation

"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."

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.

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with certainty.

Grants Receivable

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

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

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.

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

2. ACCOUNTING POLICIES (CONTINUED)

Incoming resources (continued)

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.

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.

KENDRICK SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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.

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.

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

Tangible Fixed Assets (continued)

Leased Assets

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

Teachers' Pension Scheme and Pension Benefits

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.

Local Government Pension Scheme and Benefits

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 gains and losses.

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 Governors.

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

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

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

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 15. 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 financial instrument and is measured at face value.

Financial Liabilities- trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in Note 16. Taxation and social security costs 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.

Critical areas of judgement

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

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

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

3. DONATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Donations and capital grants	<u>69,999</u>	<u>102,854</u>	<u>172,853</u>	<u>26,448</u>	<u>185,756</u>	<u>212,204</u>

4. OTHER TRADING ACTIVITIES

	Un-restricted Funds £	Restricted Funds £	Total 2021 £	Un-restricted Funds £	Restricted Funds £	Total 2020 £
Hire of facilities	43,143	-	43,143	51,499	-	51,499
Other facilities income	1,260	-	1,260	6,979	-	6,979
Insurance income	350	-	350	-	-	-
Examination fees	5,359	-	5,359	18,069	-	18,069
Other income	<u>875</u>	<u>-</u>	<u>875</u>	<u>24,224</u>	<u>-</u>	<u>24,224</u>
	<u>50,987</u>	<u>-</u>	<u>50,987</u>	<u>100,771</u>	<u>-</u>	<u>100,771</u>

5. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Bank Interest	<u>198</u>	<u>-</u>	<u>198</u>	<u>1,688</u>	<u>-</u>	<u>1,688</u>

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

6. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	2021 £
Capital grants			
Other capital grants	-	135,880	<u>135,880</u>
DfE / ESFA revenue grants			
General Annual Grant (GAG)	-	3,953,570	3,953,570
COVID Emergency Support grant	-	48,935	48,935
COVID Catch up Premium	-	41,680	41,680
Other DfE / ESFA grants	-	282,213	<u>282,213</u>
Other Government grants			
Other government grants	-	40,051	<u>40,051</u>
Total Grants		<u>4,502,329</u>	<u>4,502,329</u>
Trip income	-	60,093	60,093
Insurance income	-	-	-
Total	-	<u>4,562,422</u>	<u>4,562,422</u>

	Unrestricted Funds £	Restricted Funds £	2020 £
<i>Capital grants</i>			
<i>Other capital grants</i>	-	1,510,613	<u>1,510,613</u>
<i>DfE / ESFA revenue grants</i>			
<i>General Annual Grant (GAG)</i>	-	3,630,760	3,630,760
<i>Other DfE / ESFA grants</i>	-	242,560	<u>242,560</u>
<i>Other Government grants</i>			
<i>Other government grants</i>	-	96,985	<u>96,985</u>
<i>Total Grants</i>		<u>5,480,918</u>	<u>5,480,918</u>
<i>Trip income</i>	-	178,844	178,844
<i>Insurance income</i>	-	8,086	<u>8,086</u>
<i>Total</i>	-	<u>5,667,848</u>	<u>5,667,848</u>

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

7. RESOURCES EXPENDED

	Staff costs £	Premises £	Other costs £	2021 £
Academy's educational operations				
Direct costs	3,103,755	478,707	351,531	3,933,993
Allocated support costs	547,283	509,374	326,465	1,383,122
Governance costs including allocated support costs	-	-	21,944	21,944
Total	<u>3,651,038</u>	<u>988,081</u>	<u>699,940</u>	<u>5,339,059</u>

The method used for the apportionment of support costs is disclosed in the accounting policies (note 2). Governance costs include £3,444 (2020: £2,796) of legal fee costs.

2020	Staff costs £	Premises £	Other costs £	2020 £
Academy's educational operations				
Direct costs	2,939,247	436,960	337,301	3,713,508
Allocated support costs	492,676	419,026	380,301	1,292,003
Governance costs including allocated support costs	-	-	21,296	21,296
Total	<u>3,431,923</u>	<u>855,986</u>	<u>738,898</u>	<u>5,026,807</u>

8. SURPLUS FOR THE YEAR

Surplus for the year is stated after charging:-

	2021 £	2020 £
Operating leases – other	44,261	167,703
Auditor's remuneration for audit services	15,045	14,575
Responsible officer work	1,000	875
Other audit and taxation costs	<u>2,455</u>	<u>3,050</u>

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

9. ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	2021 £
<i>Direct costs</i>			
Teaching and educational support staff costs	-	3,103,755	3,103,755
Depreciation	-	478,707	478,707
Examination fees	-	89,869	89,869
Teaching consumables	30,769	208,640	239,409
Educational visits	324	-	324
Staff development	-	8,402	8,402
Other direct costs	(250)	13,777	13,527
	<u>30,843</u>	<u>3,903,150</u>	<u>3,933,993</u>
<i>Allocated support costs</i>			
Support staff costs	7,967	539,316	547,283
Recruitment and support	-	15,148	15,148
Maintenance of premises and equipment	-	362,257	362,257
School activities	-	138,384	138,384
Insurance	-	16,855	16,855
Professional and consultancy costs	-	19,625	19,625
Postage and packaging	-	2,308	2,308
Staff development	-	3,126	3,126
IT and admin costs	3,498	31,320	34,818
Cleaning	-	91,133	91,133
Rent & rates	4,872	47,665	52,537
Security and transport	204	8,915	9,119
Catering	-	10,664	10,664
Bank interest and charges	-	192	192
Other support costs	-	79,673	79,673
	<u>16,541</u>	<u>1,366,581</u>	<u>1,383,122</u>
Governance costs	-	21,944	21,944
	<u>47,384</u>	<u>5,291,675</u>	<u>5,339,059</u>

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

9. ACADEMY'S EDUCATIONAL OPERATIONS (CONTINUED)

2020	Unrestricted Funds £	Restricted Funds £	2020 £
<i>Direct costs</i>			
Teaching and educational support staff costs	-	2,939,247	2,939,247
Depreciation	-	436,960	436,960
Examination fees	10,991	85,305	96,296
Teaching consumables	17,233	204,582	221,815
Educational visits	308	-	308
Staff development	-	10,194	10,194
Other direct costs	(76)	8,764	8,688
	<u>28,456</u>	<u>3,685,052</u>	<u>3,713,508</u>
<i>Allocated support costs</i>			
Support staff costs	24,411	468,265	492,676
Recruitment and support	-	7,988	7,988
Maintenance of premises and equipment	65,387	233,360	298,747
School activities	-	180,062	180,062
Insurance	-	24,429	24,429
Professional and consultancy costs	-	21,465	21,465
Postage and packaging	-	1,415	1,415
Staff development	-	4,360	4,360
IT and admin costs	2,650	32,670	35,320
Cleaning	-	64,207	64,207
Rent & rates	4,466	54,997	59,463
Security and transport	442	9,002	9,444
Catering	-	15,205	15,205
Bank interest and charges	-	192	192
Other support costs	-	77,030	77,030
	<u>97,356</u>	<u>1,194,647</u>	<u>1,292,003</u>
	<u>125,812</u>	<u>4,879,699</u>	<u>5,005,511</u>

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

10. STAFF

Staff Costs

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	2,644,453	2,532,880
Social security costs	252,378	224,405
Pension costs	746,291	667,518
Supply teacher costs	<u>7,916</u>	<u>7,120</u>
	<u>3,651,038</u>	<u>3,431,923</u>

Non-statutory severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling nil (2020: £nil).

Staff numbers

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

	2021 No.	2020 No.
Charitable Activities		
Teachers	54	53
Administration and support	36	37
Leadership	<u>6</u>	<u>6</u>

Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	2	1
£70,001 - £80,000	-	1
£80,000 - £90,000	1	-
£90,000 - £100,000	<u>1</u>	<u>1</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for these members of staff amounted to £74,472 (2020: £54,275).

Of the above employees earning more than £60,000 per annum, none participated in the Local Government Pension Scheme during the year ended 31 August 2021.

The Key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions received by key management personnel for their services to the academy trust was £523,611 (2020: £488,772).

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

11. GOVERNORS' REMUNERATION AND EXPENSES

The Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment and not in respect of their services as Governors.

The value of the current Headteacher's remuneration from 1 September 2020 until 31 August 2021 was £95,000 to £100,000. Employer's pension contributions were £10,000 to £15,000.

The value of each staff Governors' remuneration and employers pension contributions are:

	Remuneration	Employer Pension Contributions
C Cooper	£45,000 to £50,000	£10,000 to £15,000
J Duncan (appointed January 2021)	£20,000 to £25,000	£5,000 to £10,000
S Swaine (terminated November 2020)	£10,000 to £15,000	£2,000 to £2,500
M Wilson (terminated July 2021)	£45,000 to £50,000	£5,000 to £10,000

During the year ended 31 August 2021, travel and subsistence expenses totalling £100 (2020: £413) were reimbursed to Governors.

Related party transactions involving Governors are set out in note 26.

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides unlimited limit of indemnity against professional indemnity and against employer's liability and the cost for the year ended 31 August 2021 was approximately £1,800 (2020: £1,800). The cost of insurance is included in total insurance costs.

13. GOVERNANCE COSTS

	2021 £	2020 £
Legal and Professional fees	3,444	2,796
Auditor's remuneration for audit services	15,045	14,575
Responsible officer work	1,000	875
Other audit and taxation costs	<u>2,455</u>	<u>3,050</u>
	<u>21,944</u>	<u>21,296</u>

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

14. TANGIBLE FIXED ASSETS

	Freehold Land	Freehold Buildings	Furniture	IT	Other	Assets under course of construction	Total
	£	£	£	£	£	£	£
Cost							
At 1 September 2020	811,489	10,054,532	76,644	831,215	1,723,438	2,114,247	15,611,565
Transfers	-	2,114,247	-	-	-	(2,114,247)	-
Additions	-	-	5,533	37,607	21,843	-	64,983
At 31 August 2021	<u>811,489</u>	<u>12,168,779</u>	<u>82,177</u>	<u>868,822</u>	<u>1,745,281</u>	<u>-</u>	<u>15,676,548</u>
Depreciation							
At 1 September 2020	-	1,981,587	19,326	760,793	1,501,567	-	4,263,273
Charged in year	-	251,955	7,852	46,478	172,422	-	478,707
At 31 August 2021	<u>-</u>	<u>2,233,542</u>	<u>27,178</u>	<u>807,271</u>	<u>1,673,989</u>	<u>-</u>	<u>4,741,980</u>
Net book value							
At 31 August 2021	<u>811,489</u>	<u>9,935,237</u>	<u>54,999</u>	<u>61,551</u>	<u>71,292</u>	<u>-</u>	<u>10,934,568</u>
At 1 September 2020	<u>811,489</u>	<u>8,072,945</u>	<u>57,318</u>	<u>70,422</u>	<u>221,871</u>	<u>2,114,247</u>	<u>11,348,292</u>

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.

15. DEBTORS

	2021 £	2020 £
Trade debtors	9,886	14,715
Other debtors	61,694	92,339
Prepayments	<u>69,016</u>	<u>54,435</u>
	<u>140,596</u>	<u>161,489</u>

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

16. CREDITORS: amounts falling due within one year

	2021 £	2020 £
Trade Creditors	50,388	37,621
Sundry Creditors	56,864	54,313
Other taxation and social security	64,506	59,987
Accruals and deferred income	<u>150,985</u>	<u>101,585</u>
	<u>322,743</u>	<u>253,506</u>

Deferred Income	2021 £	2020 £
Deferred income at 1 September 2020	-	16,380
Resources deferred in the year	-	-
Amounts released from previous years	<u>-</u>	<u>(16,380)</u>
Deferred income at 31 August 2021	<u>-</u>	<u>-</u>

Deferred income at 1 September 2020 related to deferred private capital grant which was spent during 2020.

17. STATEMENT OF FUNDS

2021	Balance at 1 September 2020	Incoming Resources	Resources expended	Gains/ (losses) and Transfers	Balance at 31 August 2021
	£	£	£	£	£
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
Pension reserve	(2,274,000)	-	(200,000)	(52,000)	(2,526,000)
Other restricted funds	<u>111,271</u>	<u>92,827</u>	<u>(138,489)</u>	<u>122</u>	<u>65,731</u>
	<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 Fund					
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	<u>35,462</u>	<u>70,120</u>	<u>(75,445)</u>	<u>(30,137)</u>	<u>-</u>
	<u>11,340,165</u>	<u>206,000</u>	<u>(554,152)</u>	<u>(39,221)</u>	<u>10,952,792</u>
Unrestricted Funds					
Unrestricted funds	<u>9,263</u>	<u>121,184</u>	<u>(47,384)</u>	<u>(61,391)</u>	<u>21,672</u>
Total funds	<u>9,666,075</u>	<u>4,786,460</u>	<u>(5,339,059)</u>	<u>(52,000)</u>	<u>9,061,476</u>

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

17. 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 £(39,221) (2020: £91,927) 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 £569,074 on restricted general funds (excluding pension reserve) plus unrestricted funds to mitigate budget pressures and changes to financial funding formulas in subsequent years.

2020	Balance at 1 September 2019	Incoming Resources	Resources expended	Gains/ (losses) and Transfers	Balance at 31 August 2020
	£	£	£	£	£
<i>Restricted General Funds</i>					
General Annual Grant	459,180	3,630,760	(4,021,826)	315,820	383,934
Other grants	98,690	339,545	(99,834)	(242,959)	95,442
Pension reserve	(1,682,000)	-	(148,000)	(444,000)	(2,274,000)
Other restricted funds	<u>68,569</u>	<u>230,306</u>	<u>(178,523)</u>	<u>(9,081)</u>	<u>111,271</u>
	<u>(1,055,561)</u>	<u>4,200,611</u>	<u>(4,448,183)</u>	<u>(380,220)</u>	<u>(1,683,353)</u>
<i>Restricted Fixed Asset Fund</i>					
In kind support - buildings	9,676,783	-	(436,960)	2,108,469	11,348,292
DfE/ESFA capital grants	503,597	1,510,613	(15,852)	(2,041,947)	(43,589)
Private capital grants	<u>2,000</u>	<u>142,380</u>	<u>-</u>	<u>(108,918)</u>	<u>35,462</u>
	<u>10,182,380</u>	<u>1,652,993</u>	<u>(452,812)</u>	<u>(42,396)</u>	<u>11,340,165</u>
<i>Unrestricted Funds</i>					
Unrestricted funds	<u>27,552</u>	<u>128,907</u>	<u>(125,812)</u>	<u>(21,384)</u>	<u>9,263</u>
Total funds	<u>9,154,371</u>	<u>5,982,511</u>	<u>(5,026,807)</u>	<u>(444,000)</u>	<u>9,666,075</u>

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2021

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total £
Tangible fixed assets			10,934,568	10,934,568
Current assets	21,672	935,755	18,224	975,651
Current liabilities		(322,743)	-	(322,743)
Pension scheme liability		(2,526,000)	-	(2,526,000)
	<u>21,672</u>	<u>(1,012,988)</u>	<u>10,952,792</u>	<u>9,061,476</u>

2020

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total £
Tangible fixed assets	-	-	11,348,292	11,348,292
Current assets	9,263	844,153	(8,127)	845,289
Current liabilities	-	(253,506)	-	(253,506)
Pension scheme liability	-	(2,274,000)	-	(2,274,000)
	<u>9,263</u>	<u>(1,683,353)</u>	<u>11,340,165</u>	<u>9,666,075</u>

19. CAPITAL COMMITMENTS

At 31 August 2021 there were capital commitments of £nil (2020: £nil).

20. FINANCIAL COMMITMENTS

Operating leases

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

	2021 £	2020 £
Other		
Amounts due within one year	26,893	44,261
Amounts due between one and five years	43,737	11,639
Amounts due in greater than 5 years	<u>1,492</u>	-
	<u>72,122</u>	<u>55,900</u>

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

21. MEMBERS' LIABILITIES

Every member of the charitable company undertakes 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 contributions amongst themselves.

22. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net incoming resources/(expenditure)	(552,599)	955,704
Interest received	(198)	(1,688)
Depreciation	478,707	436,960
Capital grants from DFE and other capital income	(135,880)	(1,510,613)
Defined benefit pension scheme finance cost	200,000	148,000
Decrease in debtors	20,893	9,608
Increase/(Decrease) in creditors	<u>69,237</u>	<u>(3,660)</u>
Net cash inflow from operating activities	<u><u>80,160</u></u>	<u><u>34,311</u></u>

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

23. CASH FLOWS FROM FINANCING ACTIVITIES

	2021 £	2020 £
Interest received	198	1,688
Purchase of tangible fixed assets	(64,983)	(2,108,469)
Capital grants received	<u>135,880</u>	<u>1,510,613</u>
Net cash inflow from capital expenditure	<u>71,095</u>	<u>(596,168)</u>

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Short term deposits	200,000	200,000
Cash in hand and at bank	<u>635,055</u>	<u>483,800</u>
	<u>835,055</u>	<u>683,800</u>

25. ANALYSIS OF CHANGE IN NET FUNDS

	<i>Net debt as at 1 September 2020 £</i>	Cash Change £	Net funds as at 31 August 2021 £
Cash at bank and in hand	<u>683,800</u>	<u>151,255</u>	<u>835,055</u>

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of Governors being linked to local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account. B Hill, the son of G Hill the assistant headteacher received £667 in remuneration for services as a leisure attendant during the year.

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

27. PENSIONS AND SIMILAR OBLIGATIONS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £56,864 were payable to the schemes at 31 August 2021 (2020: £54,313) and are included within creditors.

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

27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. 59.

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.

The pension charge for the year includes contributions payable to the TPS of £469,874 (2020: £445,728).

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.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. 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 scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £145,267 (2020: £133,463), of which employer's contributions totalled £469,874 (2020: £102,772) and employees' contributions totalled £33,557 (2020: £30,690). The agreed contribution rates for future years are 18.6% for employers and from 5.5 to 12.5 per cent for employees depending on salary.

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.

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

27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". According to HM Treasury, any impact of GMPs is unlikely to be material to the pension valuation and therefore no allowance for GMP equalisation has been made in the FRS102 LGPS pension liability for this year. Full GMP indexation will be applied to the LGPS pension liability once changes to the LGPS have been formally announced

Principal actuarial assumptions

	At 31 August 2021	<i>At 31 August 2020</i>
Rate of increase in salaries	3.9%	3.25%
Rate of increase of pensions in payment / inflation	2.96%	2.35%
Discount rate for scheme liabilities	1.65%	1.55%

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

	At 31 August 2021	<i>At 31 August 2020</i>
Retiring today – males	21.3	21.5
Retiring today – females	21.4	24.1
Retiring in 20 years – males	22.6	22.9
Retiring in 20 years – females	25.4	25.5

	At 31 August 2021	<i>At 31 August 2020</i>
Sensitivity analysis	£'000	£'000
Discount rate +0.1%	4,281	3,746
Discount rate – 0.1%	4,454	3,898
Mortality assumption – 1 year increase	4,555	3,976
Mortality assumption – 1 year decrease	4,187	3,672
CPI rate to 1%	4,446	3,890
CPI rate – 0.1%	4,290	3,753

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

27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2021 £'000	<i>Fair value at 31 August 2020 £'000</i>
Equities	1,124	903
Other bonds	328	203
Property	217	220
Cash	38	147
Target return portfolio	80	47
Commodities	-	6
Infrastructure	158	113
Longevity insurance	<u>(104)</u>	<u>(92)</u>
Total market value of assets	1,841	1,547
Present value of scheme liabilities		
- Funded	<u>(4,367)</u>	<u>(3,821)</u>
Deficit in the scheme	<u>2,526</u>	<u>(2,274)</u>

The actual return on scheme assets was £192,000 (2020: £60,000).

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

27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

The amounts included within the Statement of Financial Activities would be as follows:

	2021 £'000	2020 £'000
Current service cost less employer contributions	274	264
Finance cost	34	34
Administration expense	<u>1</u>	<u>1</u>
Total operating charge	<u>309</u>	<u>299</u>

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

	2021 £000	2020 £000
At 1 September 2020	3,821	3,064
Current service cost	274	219
Interest cost	59	57
Estimated benefits paid (net of transfers in)	(46)	(40)
Employee contributions	40	31
Change in financial assumptions	345	261
Experience (gain)/loss on defined benefit obligation	(76)	280
Change in demographic assumptions	<u>(50)</u>	<u>(51)</u>
At 31 August 2021	<u>4,367</u>	<u>3,821</u>

Movements in the fair value of the Academy's share of scheme assets:

	2021 £000	2020 £000
At 1 September 2020	1,547	1,382
Expected return on assets	167	34
Interest income	25	26
Admin expense	(1)	(1)
Other actuarial gains/(losses)	-	12
Estimated benefits paid (net of transfers in)	(46)	(40)
Employer contributions	109	103
Employee contributions	<u>40</u>	<u>31</u>
At 31 August 2021	<u>1,841</u>	<u>1,547</u>

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

27. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

The history of experience adjustments is as follows:

	2021	2020
	£000	£000
Present value of defined benefit obligations	(4,367)	(3,821)
Fair value of share of scheme assets	<u>1,841</u>	<u>1,547</u>
Deficit in the scheme	<u>(2,526)</u>	<u>(2,274)</u>
Experience adjustments on share of scheme assets		
Amount £'000	<u>-</u>	<u>-</u>
Experience adjustments on scheme liabilities:		
Amount £'000	<u>(76)</u>	<u>280</u>

28. FINANCIAL INSTRUMENTS

Financial assets held at amortised value include cash, short term deposits, accrued income and other debtors. Financial Liabilities held at amortised value include pension deficit, trade creditors, other taxation and social security and accruals.

	2021	2020
	£	£
Financial assets measured at amortised cost	706,635	590,854
Financial liabilities measured at amortised cost	201,373	129,008
Fair value through profit/loss	2,526,000	2,274,000

The School's income, expense, gains and losses in respect of financial instruments are summarised below:

	2021	2020
	£	£
Interest income:		
Total interest income for financial assets held at amortised cost	198	1,688
Total interest income for financial liabilities held at amortised cost	-	-

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

29. COMPARATIVE 2020 STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Un-restricted Funds £	Restricted Funds General £	Restricted Fixed Asset Funds £	2020 Total £
<i>Income and Endowments</i>					
<i>Donations and capital grants</i>	3	26,448	43,376	142,380	212,204
<i>Charitable activities:</i>					
<i>Funding for the Academy's educational operations</i>	6	-	4,157,235	1,510,613	5,667,848
<i>Other trading activities</i>	4	100,771	-	-	100,771
<i>Investments</i>	5	<u>1,688</u>	<u>-</u>	<u>-</u>	<u>1,688</u>
<i>Total</i>		<u>128,907</u>	<u>4,200,611</u>	<u>1,652,993</u>	<u>5,982,511</u>
<i>Expenditure on:</i>					
<i>Charitable activities:</i>					
<i>Academy's educational Operations</i>	7	<u>125,812</u>	<u>4,448,183</u>	<u>452,812</u>	<u>5,026,807</u>
<i>Total</i>	7	<u>125,812</u>	<u>4,448,183</u>	<u>452,812</u>	<u>5,026,807</u>
<i>Net income/(expenditure)</i>		3,095	(247,572)	1,200,181	955,704
<i>Gross transfers between funds</i>	17	(21,384)	63,780	(42,396)	-
<i>Other recognised gains and losses</i>					
<i>Actuarial gains/(losses) on defined benefit pension schemes</i>	17	<u>-</u>	<u>(444,000)</u>	<u>-</u>	<u>(444,000)</u>
<i>Net movement in funds</i>		<u>(18,289)</u>	<u>(627,792)</u>	<u>1,157,785</u>	<u>511,704</u>
<i>Funds brought forward at 1 September 2019</i>		27,552	(1,055,561)	10,182,380	9,154,371
<i>Funds carried forward at 31 August 2020</i>	17	<u>9,263</u>	<u>(1,683,353)</u>	<u>11,340,165</u>	<u>9,666,075</u>