

Registered number: 07494754

KENDRICK SCHOOL

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023



KENDRICK SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023

Members

Mr K Miller
Mrs F Ramsay
Mr C Ramsden
Mr K Skipsey
Mr W Whittingham

Trustees

Mrs C L Cavaciuti	
Mr J Chadwick	(resigned 17 March 2023)
Mrs R Clarke	
Mrs C Cooper	
Mr J Dhadwal	(appointed 29 September 2022)
Mrs J Drury	
Mr J Duncan	
Mrs K Hawaldar	
Mr D Heslington	
Ms C Kattirtzi	(Headteacher- ex-officio)
Mr K Miller	(appointed Chair of Governors 01 September 2022)
Ms Y O' Neal	(appointed 08 December 2022 & resigned 06 August 2023)
Mr A Morris	
Mr C Ramsden	
Mrs L Reece-Smith	(appointed 29 September 2023)
Mr K Skipsey	
Dr W Whittingham	

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
Ms Y Le Croisette	Assistant Headteacher
Mrs I Sandy	School Business Manager
Ms A Emberson-Powney	Executive Assistant

Company Name

Kendrick School

Principal and Registered Office

Kendrick School, London Road, Reading, Berkshire, RG1 5BN

Company Registered Number

07494754 (England & Wales)

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(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

Independent Auditor

MHA, Building 4, Foundation Park, Roxborough Way, Maidenhead, SL6 3UD

Bankers

Lloyds TSB Bank Plc, 1 City Road East, Manchester, M15 4PU

Solicitors

Stone King LLP, 91 Charterhouse Street, London, EC1M 6HR

KENDRICK SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees, who are the directors of the Company, present their annual report together with the financial statements and auditor's report of the Charitable Company for the year ended 31 August 2023. 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 37 onwards of the financial statements and comply with the Company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015).

Kendrick School is an academy for students aged 11 to 18 serving a catchment area largely within a 15 mile radius of Kendrick School, Reading, Berkshire in line with our Admission's Policy. In the Spring 2022 Kendrick School census there were 864 students on roll, 582 in Years 7 to 11 and 282 students in the Sixth Form.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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.

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect the Trustees, Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst undertaking Academy business. The insurance provider provides cover up to £2,000,000 in any one claim. As disclosed in note 14, professional indemnity insurance is paid on behalf of the trustees of the School.

Trustees

The Trustees 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 or Election of Trustees

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

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

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

The Trustees are responsible for:

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

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

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

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

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

51%-99%

100%

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£292
Provide the total pay bill	£2,294,998
Provide the percentage of the total pay bill	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.53%
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Related Parties and other Connected Charities and Organisations

Kendrick School maintains strong relationships with other Reading based schools in order to provide support, collaborate and share good practice.

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 Foundation, an independent charity, which makes grants to the school and to students and former students of the school.

The school has worked alongside the Science Learning Partnership and the Institute of Physics to promote science, mathematics and engineering in schools and provide teaching and learning training, support, and resources in the Berkshire region and nationally. During 2022/23 the Deputy Headteacher resumed his services to Ofsted as a Lead Ofsted inspector.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

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

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

The aims are achieved by:

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

Public Benefit

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT

Achievements and Performance

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

Results for 2022/23 (last academic year).

- At A Level, 32% of grades awarded were at A* and 83% A* to B.
- 52% of GCSE grades were awarded at grade 9 and 77% at grades 8&9.
- National performance tables and value-added calculations have not been published yet for this year.
- In 2023 the grade distribution was be realigned with 2019 grades.

2023 Exam breakdown

A level year 13	2023	2022	2021 TAG	2020 CAG	2019	2018
% grade A*	32%	40%	45%	32%	20%	28%
% grade A&A*	62%	75%	75%	71%	54%	68%
% grade A* to B	83%	90%	92%	90%	81%	88%
% grade A* to C	92%	94%	97%	98%	92%	97%
% grade A* to E	99%	99.8%	100%	100%	100%	100%
Number of exams taken	441	444	451	408	413	421
Number of students	138	138	140	125	132	128
Average A2s per student	3.2	3.2	3.2	3.1	3.1	3.2

Figures do not include EPQ and AS Further Maths

GCSE	2023	2022	2021 TAG	2020 CAG	2019	2018
Average pts score	8.1	8.4	8.4	8.2	8.2	7.8
% Grade 9	52%	64%	62%	54%	53%	45%
% Grade 9-8	77%	82.6%	85%	80%	80%	68%
% Grades 9-7	91%	94.2%	96%	94%	92%	86%
% Grades 9-5	98.9%	99.4%	99.9%	98.6%	99.7%	99.2%

% Grades 9-4	99.7%	100%	100%	100%	100%	99.9%
Number of exams	1085	1084	1098	1056	1035	1036
Number of students	99	99	100	96	95	96

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

Achievements and Performance (continued)

Donations from the Kendrick School Fund totalling £44,378 enabled the school to provide counselling services and advice for its students to manage the pressures and demands. School Fund donations have also been used to facilitate music lessons and instrumental groups as well as subsidising the school minibus and funding small premises projects over the summer 2023. It provided funding for the printing and publication of the school magazine 'Happy News'. The school prides itself on its academic achievements and the School Fund provides opportunities to compete nationally at Science and Mathematics Olympiads.

Science grants totalling £20,285 were received during 2022/23 to continue the advancement of science in Reading and Berkshire at all key stages.

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

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

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

The school has continued to improve links with local businesses with the aim of establishing deeper understanding and collaboration between the school and industry, increasing participation in STEM subjects and raising standards in local schools. The school became a learning centre for the Institute of Physics and continued its participation in the Future Physics Leaders Project in 2022/23.

Kendrick School continues to raise the level of music making and enjoyment by offering our students the chance to play and perform on first class instruments. With financial help from the Kendrick Parents' Society, the school purchased IT and related equipment including chrome books, large screen projectors, and HD displays, as well as PE equipment and books for the students as part of its School Birthday celebration gift donation monies.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

Key Performance Indicators

Students Attainment

In 2023 the grade distribution was be realigned with 2019 grades.

Key Indicator	2022/23 Trends/Targets	2023/24 Trends/Targets
Pupil Number in 6 th form	280	290
Numbers on Roll	864	896
Attendance	96% minimum threshold	96% minimum threshold
UCAS Predictions	Similar results expected	Similar results expected
Statutory Issues	0	0
Quality of Teaching, Learning and Assessment	Outstanding	Outstanding
Parental Grievances	0	0
Progress 8	Greater than 0.5	Greater than 0.5
A2 A/A* %	3 Year Average – 68%	3 Year Average – 68%
Level 3 VA AS Level	+ve Value Added	+ve Value Added
Level 3 VA A2 Level	+ve Value Added	+ve Value Added
OFSTED Judgement	Outstanding	Outstanding

Reflections. Comments

Kendrick School Achievement Report - September 2023

2023 Public Exam Results

This is a more 'usual' year for public examinations, following two years of teacher assessed grades and a year of adjust grade boundaries (in 2022 adjustments were made to the format of the exams in some subjects and the grade boundaries were set to give a national distribution of grades that lie between the 2019 and 2021 distributions). Analysis and comparison of results remains challenging as this A level cohort were awarded TAGs (teacher assessed grades) which cannot be considered as a reliable baseline for progress comparisons as there is no comparative national data.

At Kendrick at both A level and GCSE the proportion of the highest grades is very high, and we are incredibly pleased with the results of our students. Internal tracking indicated a strong performance at A level and at GCSE and the actual outcomes reflected our tracking.

For the A level students, the success rate of university placements is extremely high. Of 138 students just 9 were in clearing on Results Day having not made their firm or insurance offer. See the destinations report for details of where students have progressed to.

We were happy to have to just 4 U grades at A level and the students who continued into year 13 on a very low grade profile did achieve what they needed to progress to a degree course. We feel that there remains an impact from COVID on this cohort as their GCSE studies were disrupted and they did not sit public exams at GCSE level. Some students gained the entry requirement for A level study who may not have done so in live exams.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

Kendrick School Achievement Report - September 2023

2023 Public Exam Results (continued)

For entry next year to the sixth form, we are making a change to the entry requirements and a grade 7 at GCSE will be needed for science and maths subjects and a grade 8 in Maths to progress to Further Maths A Level.

To date 3 of the 20 A level priority re-marks have resulted in an upward grade change.

There is emerging evidence in grades and through department's achievement review of a strong positive impact from the additional time given to subjects through taught study periods and staffed drop-ins. These changes were introduced last year alongside a new study skills period that ensured enough guided learning hours to secure a bit of extra funding.

Across GCSE and A level we are celebrating the achievements of many SEND students and students who we were monitoring with pastoral and safeguarding concerns. Their stories are individual ones that are not easily shared in this document.

Department Self Review and Achievement Reports

Department Achievement Reports are incredibly valuable self-review documents that feed directly into subject based and whole school strategic planning. The reports tell the story of adjustments made to the curriculum in response to self-review as well as outcomes of department tracking and assessment information. Please read some subject achievement reports that are being uploaded to Governor Hub and see NS's collated responses to subject leaders.

All subject leaders and teachers in all subject areas must be thanked and applauded once again for their extraordinary professionalism, teaching expertise and hard work.

Going Concern

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

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

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

KENDRICK SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022/23

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 £5,313,435; expenditure against the fund was £5,487,448, giving a net outflow of resources of £174,013 (before transfers from the Restricted Fixed Asset Fund and accounting for the pension deficit. The resultant restricted revenue fund carried forward is £229,552.

Unrestricted Fund

Income received into the Unrestricted Fund was £243,441. This was predominantly attributable to the generation of own funds within Kendrick School, including £159,019 arising from hiring of facilities. It also includes £38,399 of donations made to school without specific instructions for use. Expenditure against the fund was £182,601 for the year giving an Unrestricted Fund carry forward of £82,430.

Restricted Fixed Asset Fund

Income received into the Restricted Fixed Asset Fund relates to capital grants received from the ESFA of £531,125 for work to be carried out on the Cedars Building CIF project, CIF Fire Project, Sustainability projects and Devolved Formula Capital projects. The transfer from the Restricted General Fund into the Restricted Fixed Asset Fund of £263,147 represents expenditure of these grants.

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

Summary of Financial Performance and Position

Fund balances as at 31 August 2023 totalled £11,071,449. This is comprised of £82,430 of Unrestricted Funds, £229,552 of Restricted General Funds (after accounting for total pension deficit of £596,000), £10,759,467 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 £10,413,601 as at 31 August 2023. The movement in this account is detailed in note 15.

Cash in hand at 31 August 2023 was £962,486. In addition the academy has £300,000 held in short term deposit.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

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 £596,000. On the balance sheet, this is offset by the Academy's reserves.

Reserves Policy

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

In respect of any surplus or deficit recognised in relation to the Academy's share of the Local Government Pension Scheme, this would generally result in a cash flow effect for the Academy in the form of an increase or decrease in employer's pension contributions over a number of years. This year a deficit of £596,000 has been recognised in the accounts as a provision; this does not represent an immediately realisable liability that requires payment.

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

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

The Academy's free reserves as at 31 August 2023 were £82,430 (being unrestricted funds). The Academy intends to continue building free reserves until the £ level needed is reached.

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

The level of general restricted revenue reserves held on 31st August 2023

Restricted:	GAG	£669,603
	Other	£155,949

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.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

Investment Policy

Kendrick School seeks to maximise returns, minimise risk and maintain flexibility and access to funds. This is achieved through investing balances at no risk in fixed term interest bearing bank accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal Risks and Uncertainties

The trustees of Kendrick School recognises the risks and uncertainties which could impact on the Trusts ability to carry out its responsibilities. The Trust has identified three main area of principal risk and uncertainties:

1. Funding Sustainability

- ☐ The funding gap caused by government revenue lagged funding will continue until 2025/26
- ☐ The impact of continued high inflation rates and energy costs, staffing, curriculum and premises costs.

To mitigate these risks the school reviews its costs and implements strategies to bring about cost savings in line with new funding allocations taking into account the inflation rates and the unpredictable increasing cost of energy. The school has increased student numbers through its expansion plans and increased the number of form entries in Year 7 from three forms to four forms and provided more Sixth Form places to maximise capacity. Governors will continue to monitor student numbers and the capacity to provide a sustainable broad based curriculum whilst ensuring the health and safety of all stakeholders on the site. The School, The Kendrick Parent Society (KPS) and the Kendrick Trust raises additional funds to provide additional facilities and support major improvements to its learning environment.

2. Buildings and the School Environment

The school has two Grade II listed buildings, a swimming pool and other buildings dating back to the early 1900s which are at risk of unforeseen and expensive repairs. The school will continue to bid for CIF capital monies and make requests for capital funding to the Kendrick Trust. In recent years it has successfully been award CIF funding for the renovation of both Grade II listed buildings and CIF funding for the replacement of fire doors in the Main School.

The trustees recognise that the swimming pool is a great asset for students, staff and the wider community for hiring out the facility. However, it is also recognised that maintenance and running costs of the swimming pool are high and therefore remains a strategic area for discussion and review.

The school completes and reviews the Good Estate Management for School (GEMS) assessment to help monitor the robustness of managing the estate, compliance with health and safety and buildings regulations and identifying potential savings in energy and water usage.

3. Cybersecurity

In common with all organisations the school is vulnerable to cyberattacks. The school will continue to be vigilance against phishing and potentially fraudulent activity. It has developed a robust continuity plan in the event of a cyberattack which would mitigate the effects of teaching, learning and business interruption in the school.

The school has continues to invest in:

- ☐ training for staff and governors
- ☐ installed new fire walls
- ☐ updated firmware on our equipment.
- ☐ all PCs have the latest security updates and build versions including Sophos Reporting facilities
- ☐ improved IT resilience and business continuity.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

Risk Management

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

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

Trustees are advised regularly of the areas of highest risk and if any movement in risk has occurred.

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, notecards 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 THE FUTURE

Following an 'Outstanding' Ofsted judgement in November 2022, Kendrick School remains committed to maximising the achievements and potential of all students by providing outstanding teaching, learning and pastoral leadership, management and support in a well managed environment where Safeguarding continues to be of highest priority for all staff at the school.

The headteacher, trustees and senior leadership team recognise the financial challenges ahead and will continue to steer the school through a changing and challenging funding future. The ethos of 'lead, inspire and make a difference' continues to be a key driver in the face of new curriculum changes, the impact of new technologies such as AI and the uncertain political climate. The Kendrick School development plan (KSDP) continues to guide the school's strategic direction and aims to mitigate the disruption to the education and young lives of its students in the aftermath of the pandemic..

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

PLANS FOR THE FUTURE (continued)

The school will continue to develop partnerships and collaborate at all levels with other educational establishments and the wider community whilst promoting a cohesive strategy throughout all sectors in the Reading area.

Kendrick School will embed sustainability plans by continuing to review teaching and support staff structures, improving the facilities of the school to maximise the premises resources and ensuring it uses all its resources and obtains best value for money.

Key drivers for the Kendrick School Development Plan

1. **Maintain educational excellence** – Continue to respond to the ongoing impact of Covid-19 disruption to education and responding as required, expanding cohort and profile of the school, educational landscape including Ofsted research and the current Education Inspection framework.
2. **Financial sustainability** – respond and adapt to the national and global financial situation.
3. **Political agility** – resilience in response to the political context of governments in a post pandemic and global era.
4. **Organisational structure** – review premises, finance and staffing structures and capacity at all levels.
5. **Environmental and Technological Duty** – realising Kendrick's contribution to mitigate the impact of the Climate Crisis and engaging with the enhancements of Artificial Intelligence (AI)
6. **Safe and inclusive school** – the wellbeing of students and staff is central to all decision making.

In the academic year 2023/24, following the success of the July 2023 Summer School, Kendrick School will launch another summer school. This will provide the forthcoming Year7 intake opportunities to meet and learn about the school, their teachers and their peers and its curriculum, providing plenty of opportunities to have fun and grow in confidence prior to their start in September 2023.

Plans will be progressed to collaborate with other local schools (primary and secondary) in 2023/24 for the benefit of students in Reading and the local area. From September 2023 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.

Plans to expand the sixth form and safely accommodate an increasing number of sixth form students will be developed as part of Kendrick's strategic drive to extend its reach to more students and secure additional funding for its long-term viability.

Kendrick School will complete the renovation of Cedars' (Music & Drama building) roof and external fabric, having secured CIF funding in the 2022/23 round. Having secured additional CIF funding in the 2023/24 bidding cycle, the school will complete the replacement of fire doors in the Main School. Bids will be prioritised and submitted in December 2023 to address the reparation and renovation of other roof systems as identified below and to improve accessibility to teaching facilities by students with impaired mobility.

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

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

PLANS FOR THE FUTURE (continued)

Provide an IT infrastructure and network that is robust and adaptable to meet the ever-increasing demands of the internet and cloud-based solutions for delivering the curriculum and school business solution efficiencies.

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

Whilst the addition of the Horizons Building and other recent building projects have greatly improved the site and addressed many of the key strategic aims, ensuring the working and learning environment is fit for purpose is an on-going project and remains challenging in terms of funding and constraints of the site. Despite the large capital investment to address severe health and safety issues, the Cedars Building continues to be a cause for concern and the school will investigate this over the course of the year.

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

The Senior Leadership Team Capital group have identified areas of the school to address in 202/24 academic and beyond.:

- Poor access to Art and Cedars (Music & Drama). No lifts available
- Leaks in the Harness Room roof in an asbestos area.
- Covered walkway by Cedars exposing vulnerable wiring and cabling.
- Canteen space is limited
- Investment in the Pool changing room and facilities.
- Leaks in the Observatory Sixth Form
- Structural integrity of listed buildings -movement and underpinning

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

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

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

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

PLANS FOR THE FUTURE (continued)

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

Greater emphasis will be given to increasing the amount of School Fund donations and accessing the skills and talents of the parents at Kendrick School. Increasing the amount of voluntary contributions from parents will ease budgetary pressures for capital projects and equipment. A K21 Legacy fund which will build on the existing K21 fund –Kendrick in the 21st Century theme, will be developed to encourage former students to donate funds and leave a lasting legacy with the school.

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

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

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

FUNDS HELD AS CUSTODIAN 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 audited to comply with the Charity Commission regulations.

Neither Kendrick School nor the Trustees are acting as third-party custodian trustees.

KENDRICK SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

AUDITOR

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2023 and signed on the board's behalf by:



.....
Mr Keith Miller
Chair of Trustees

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

SCOPE OF RESPONSIBILITY

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

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

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Resources Committee.
- Regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance
- Clearly defining purchasing (asset purchase or capital investment) guidelines.
- Identification and management of risks.

The 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 STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The governing body has formally met three times during the year. Since the pandemic meetings are conducted both face-to-face and remotely by video conferencing The Trustee Strategic Day was held in April 2023. Attendance during the year at meetings of the governing body was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C-L Cavaciuti	3	3
Mr J Chadwick	1	2
Mrs R Clarke	3	3
Mrs C Cooper	0	1
Mr J Dhadwal	3	3
Ms J Drury	3	3
Mr J Duncan	1	3
Mrs K Hawaldar	2	3
Mr D Heslington	2	3
Ms C Kattirtzi	3	3
Mr K Miller	3	3
Mr A Morris	1	3
Mrs F Ramsay	1	3
Mr C Ramsden	2	3
Ms L Reece-Smith	3	3
Mr K Skipsey	3	3
Dr W Whittingham	2	3

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

The annual Trustee Strategic Day in the Spring Term provides trustees and the senior leadership team an opportunity to present and discuss its strategic aims, update the vision for Kendrick School and provide an occasion for team building and greater collaboration between these key stakeholders. The 2022/23 Trustee Day provided an opportunity for trustees to self-review their performance, visit lessons and receive the latest development plans post Ofsted visit and judgement. The strategic discussions centred on future and continued engagement with a special school and Kendrick's future plans for school-to-school collaboration. The strategy day also provided opportunities to discuss sustainability plans and related premises issues, well-being strategies and creating lead governor roles for further engagement with departments and subject leaders.

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

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

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

Conflicts of interest

Kendrick School trustees are required to identify and declare any conflicts of interest at the start of trust committee meetings. All trust committee meetings have this as an agenda item. Trustees are expected to declare conflicts of interest in order to act in the best interests of the school. In situations where a conflict might arise the trustee would be requested to leave the meeting. Trustees are not remunerated and receive no benefits for their support and involvement with the school. Declaration of interests are required to be completed by all trustees and senior leaders of the school. These are maintained by the Governance Executive.

Meetings

Full Governing Body (FGB) meetings are held three times a year to provide the opportunity for the trustees to discharge their responsibilities fully and remain in line with the Academy Trust Handbook. In 2022/23 the Full Governing Body met three times (December 2022, April 2023 and July 2023).

The Governors Strategic Day held in April provides a whole day programme when all the governors and members of the Senior Leadership Team meet and discuss the strategic direction of the school.

In April 2023 in addition to carrying out the normal business functions of the FGB, governors discussed:

1. Development plans – post Ofsted
2. Sustainability and Premises,
3. Engagement and Collaboration with other school
4. Learning & Teaching Initiative
5. SEND Provision
6. Well Being Strategy

The Teaching & Learning Committee meet six times a year to maintain effective oversight of the curriculum. The Resources Committee meet six times a year to maintain effective oversight of the finance, funding, staff and premises.

The performance & Review Committee meet four times a year to maintain effective oversight of compliance and policy issues.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022/23 six Resources meetings were scheduled. Meetings are now held remotely and face to face. Attendance at Resources meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr J Chadwick	1	5
Mr J Dhalwal	1	6
Mr J Duncan	4	6
Ms C Kattirtzi	3	6
Mr K Miller	6	6
Mrs F Ramsay	3	6
Ms L Reece-Smith	1	6
Mr K Skipsey	1	6

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, as well as estates safety and management, 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 particular regard to pastoral support.
3. Use of privately donated funding to improve areas of the site
4. Increase and/or sustain the numbers of 6th form students in 2023 and beyond.
5. Searching for new hirers of the Sports Hall and other school facilities to maximise lettings income and provided an essential additional revenue income.
6. Support the Kendrick Parents Society in all their endeavours to raise additional funds through fundraising events.
7. Invested in new efficient heating systems and software to better control the energy usage around the school.
8. Improved the security and safety of stakeholders by investing in a new alarm system and CCTV systems around the school.
9. Carried out extensive electrical repairs and increased the use of LED lighting around the school to improve energy efficiency and ensure compliance.
10. Improved outdoor safety equipment and signage for vehicles and emergency vehicles.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Kendrick School appointed James Cowper Keston to undertake a review of the following key aspects of internal control:

- Budgets and Financial Monitoring
- Compliance
- Other income

An Internal Assurance report for the Performance and Review Committee was presented with no major concerns identified.

CAPACITY TO HANDLE RISK

The board of trustees 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 board of trustees 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 place for the period 01 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

This process is regularly reviewed by the board of trustees and currently includes a system of internal financial control 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 of the systems of control and risk by the Performance and Review 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 defined purchasing (asset purchasing or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks through a comprehensive Risk Register.

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 board of trustees

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

- regular reviews by the Resources Committee and Performance & Review Committee which receive reports based on financial performance against forecast and of major purchase plans, capital works and expenditure programmes
- review of policy and procedures
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The board of trustees has decided and considers the need for a specific internal audit function. An internal assurance report 2022/23 was produced by James Cowper Kreston PPL who were appointed as internal auditor as part of an annual internal audit service buy-in and reported to the Performance & Review Committee.

James Cowper Kreston were appointed due to the revised FRC Ethical Standard for auditors stating a firm providing external audit to an entity shall not also provide internal audit services to it.

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

- testing of budgeting and financial monitoring systems
- testing of compliance processes
- testing of other income processes

The internal audit report found no material concerns to address under the three specific areas. The report was presented to the Performance & Review Committee.

On an annual basis, MHA will reports to the board of trustees, through the Resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. On an annual basis MHA will prepare a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

In particular the checks carried out in the current period included:

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

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

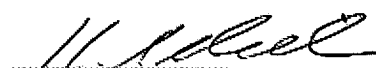
REVIEW OF EFFECTIVENESS

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:

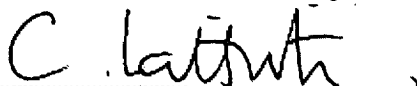
- the work of the internal auditor aligned to specific areas of financial regularity
- the work of the external auditor
- the school resource management self -assessment tool completed in the year.
- The work of the Performance & Review Committee.
- the work of the Headteacher and School Business Manager 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 07 December 2023 and signed on its behalf by:



Mr Keith Miller
Chair of Trustees



Ms Christine Kattirtzi
Accounting Officer

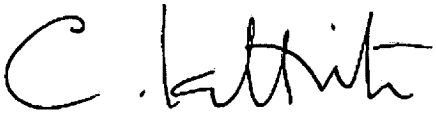
KENDRICK SCHOOL
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2023**

As accounting officer of Kendrick School I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

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: 07 December 2023

KENDRICK SCHOOL

(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

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

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

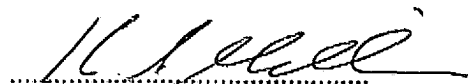
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Mr K Miller
Chair of Trustees
Date: 07 December 2023

KENDRICK SCHOOL
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Kendrick School (the 'academy trust') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

KENDRICK SCHOOL
(A company limited by guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

KENDRICK SCHOOL
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We 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:

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

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

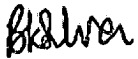
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

KENDRICK SCHOOL
(A company limited by guarantee)

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

Use of our report

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



BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)
for and on behalf of
MHA, Statutory Auditor
Maidenhead, United Kingdom

Date: 14 December 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

KENDRICK SCHOOL
(A company limited by guarantee)

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 20 July 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Kendrick School's funding agreement with the Secretary of State for Education dated 24 June 2015 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

KENDRICK SCHOOL
(A company limited by guarantee)

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- consideration of governance issues;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- making appropriate enquires of the Accounting Officer.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
MHA, Statutory Auditor
Maidenhead, United Kingdom

Date: 14 December 2023

KENDRICK SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	4	38,399	39,697	603,391	681,487	201,877
Other trading activities	6	200,704	-	-	200,704	144,599
Investments	7	4,338	4	-	4,342	229
Charitable activities		-	5,273,734	-	5,273,734	4,658,894
Total income		243,441	5,313,435	603,391	6,160,267	5,005,599
Expenditure on:						
Charitable activities	9	182,601	5,572,448	320,271	6,075,320	5,352,573
Total expenditure		182,601	5,572,448	320,271	6,075,320	5,352,573
Net income/ (expenditure)		60,840	(259,013)	283,120	84,947	(346,974)
Transfers between funds	18	-	263,147	(263,147)	-	-
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	25	-	320,000	-	320,000	1,952,000
Net movement in funds		60,840	324,134	19,973	404,947	1,605,026
Reconciliation of funds:						
Total funds brought forward		21,590	(94,582)	10,739,494	10,666,502	9,061,476
Net movement in funds		60,840	324,134	19,973	404,947	1,605,026
Total funds carried forward		82,430	229,552	10,759,467	11,071,449	10,666,502

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 37 to 68 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	10,413,601	10,688,925
		<u>10,413,601</u>	<u>10,688,925</u>
Current assets			
Debtors	16	416,691	151,195
Cash at bank and in hand		962,486	737,751
Short term deposits		300,000	200,000
		<u>1,679,177</u>	<u>1,088,946</u>
Creditors: amounts falling due within one year	17	(425,329)	(280,369)
Net current assets		<u>1,253,848</u>	<u>808,577</u>
Total assets less current liabilities		<u>11,667,449</u>	<u>11,497,502</u>
Defined benefit pension scheme liability	25	(596,000)	(831,000)
Total net assets		<u><u>11,071,449</u></u>	<u><u>10,666,502</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	10,759,467	10,739,494
Restricted income funds	18	825,552	736,418
Pension reserve	18	(596,000)	(831,000)
Total restricted funds	18	<u>10,989,019</u>	<u>10,644,912</u>
Unrestricted income funds	18	<u>82,430</u>	<u>21,590</u>
Total funds		<u><u>11,071,449</u></u>	<u><u>10,666,502</u></u>

The financial statements on pages 34 to 68 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


.....
Mr K Miller
Chair of Trustees
Date: 07 December 2023

The notes on pages 37 to 68 form part of these financial statements.

KENDRICK SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(94,597)	154,577
Cash flows from financing activities	21	419,332	(51,881)
Change in cash and cash equivalents in the year		324,735	102,696
Cash and cash equivalents at the beginning of the year		937,751	835,055
Cash and cash equivalents at the end of the year	22, 23	1,262,486	937,751

The notes on pages 37 to 68 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Kendrick School is a company limited by guarantee incorporated in England and Wales. The address of the registered office, principal place of operations and registered number are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

The Financial Statements are prepared in British Pound Sterling (£), the functional and presentational currency, rounded to the nearest £1.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the Academy Trust 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 receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.4 Expenditure

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

- **Expenditure on 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 non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.7 Tangible fixed assets

Assets costing £1,000 or more which have been acquired since the Academy was established are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, 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%
Other equipment	- 10%

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

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

2.8 Debtors

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

2.9 Cash at bank and in hand

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.10 Liabilities

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

2.11 Provisions

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

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

2.12 Financial instruments

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

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

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

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

2.13 Operating leases

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.14 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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 costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

2.15 Agency arrangements

The Academy Trust as an agent for their catering company, receiving payment from the students which are passed directly to the catering company. Income and expenditure relating to the catering are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the funds. The funds received and paid, and any balances held are disclosed in note 29.

2.16 Fund accounting

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

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

Critical areas of judgment:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

KENDRICK SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	38,399	23,485	-	61,884
Capital Grants	-	-	72,266	72,266
DfE/ESFA Capital Grants	-	-	531,125	531,125
Similar incoming resources	-	16,212	-	16,212
	<u>38,399</u>	<u>39,697</u>	<u>603,391</u>	<u>681,487</u>

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

KENDRICK SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Funding for the Academy Trust's charitable activities

	Restricted funds 2023 £	Total funds 2023 £
Educational Operations		
DfE/ESFA grants		
General Annual Grant (GAG)	4,784,143	4,784,143
Other DfE/ESFA grants		
Pupil premium	35,506	35,506
Supplementary grant	100,222	100,222
Mainstream schools additional grant	48,599	48,599
Other DfE/ESFA grants	91,267	91,267
	5,059,737	5,059,737
Other Government grants		
Other government grants	20,285	20,285
	178,751	178,751
Other income from the Academy Trust's educational operations		
COVID-19 additional funding (DfE/ESFA)		
Other DfE/ESFA COVID-19 funding	14,961	14,961
	5,273,734	5,273,734

KENDRICK SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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

	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Educational Operations		
DfE/ESFA grants		
General Annual Grant (GAG)	4,376,833	4,376,833
Other DfE/ESFA grants		
Pupil premium	26,334	26,334
Schools supplementary grant	41,758	41,758
Other DfE/ESFA grants	112,360	112,360
	<u>4,557,285</u>	<u>4,557,285</u>
Other Government grants		
Other government grants	23,275	23,275
	<u>62,956</u>	<u>62,956</u>
Other income from the Academy Trust's educational operations		
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	6,000	6,000
Emergency Support	9,378	9,378
	<u>15,378</u>	<u>15,378</u>
	<u><u>4,658,894</u></u>	<u><u>4,658,894</u></u>

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FOR THE YEAR ENDED 31 AUGUST 2023

6. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Hire of facilities	159,019	159,019
Other facilities income	65	65
Examination fees	9,498	9,498
Other income	11,650	11,650
Gift Aid income	20,472	20,472
	<u>200,704</u>	<u>200,704</u>
	Unrestricted funds 2022 £	Total funds 2022 £
Hire of facilities	135,930	135,930
Other facilities income	854	854
Examination fees	2,580	2,580
Other income	5,235	5,235
	<u>144,599</u>	<u>144,599</u>

7. Investment income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Bank interest	4,338	4	4,342

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NOTES TO THE FINANCIAL STATEMENTS
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7. Investment income (continued)

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

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Educational Operations:				
Direct costs	3,510,572	320,271	606,902	4,437,745
Allocated support costs	550,649	860,800	226,126	1,637,575
	<u>4,061,221</u>	<u>1,181,071</u>	<u>833,028</u>	<u>6,075,320</u>

	<i>Staff Costs 2022 £</i>	<i>Premises 2022 £</i>	<i>Other 2022 £</i>	<i>Total 2022 £</i>
Educational Operations:				
Direct costs	3,220,290	316,890	399,325	3,936,505
Allocated support costs	637,949	452,953	325,166	1,416,068
	<u>3,858,239</u>	<u>769,843</u>	<u>724,491</u>	<u>5,352,573</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Educational Operations	182,601	5,892,719	6,075,320

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total 2022 £</i>
Educational Operations	25,116	5,327,457	5,352,573

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Educational Operations	4,437,745	1,637,575	6,075,320

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Educational Operations	3,936,505	1,416,068	5,352,573

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	3,510,572	3,211,987
Depreciation	320,271	316,890
Teaching consumables	279,176	220,263
Examination fees	122,034	83,987
Staff development	7,567	6,784
Educational visits	187,513	70,799
Other direct costs	10,612	17,492
Agency fees	-	8,303
	4,437,745	3,936,505

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Pension finance costs	32,000	91,000
Staff costs	550,649	637,949
Recruitment and support	10,307	14,511
School activities	35,947	37,880
Maintenance of premises and equipment	682,125	328,749
Cleaning	104,116	94,218
Rent and rates	30,133	38,153
Insurance	21,529	23,406
Security and transport	7,536	8,040
Professional and consultancy costs	13,865	22,414
Postage and packaging	1,091	1,260
Catering	18,579	28,503
Bank interest and charges	160	160
Staff development	7,441	7,447
IT and admin costs	54,832	39,950
Other support costs	43,683	17,312
Governance costs	23,582	25,116
	1,637,575	1,416,068

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	20,020	26,893
Depreciation of tangible fixed assets	320,271	316,890
Fees paid to auditor for:		
- audit	9,850	15,325
- other services	4,925	3,852

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	3,053,986	2,772,941
Social security costs	285,072	261,714
Pension costs	722,163	815,281
	4,061,221	3,849,936
Agency staff costs	-	8,303
	4,061,221	3,858,239

b. Staff numbers

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

	2023	2022
	No.	No.
Teachers	54	54
Administration and support	48	37
Leadership	7	7
	109	98

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

c. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £812,333 (2022 - 633,382).

13. Trustees' remuneration and expenses

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

		2023 £	2022 £
Ms C Kattirtzi, Headteacher	Remuneration	105,000 - 110,000	95,000 - 100,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
Mrs C Cooper	Remuneration	40,000 - 45,000	45,000 - 50,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Mr J Duncan	Remuneration	40,000 - 45,000	35,000 - 40,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
Mrs C-L Cavaviuti	Remuneration	10,000 - 15,000	10,000 - 15,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year, retirement benefits were accruing to 4 Trustees (2022 - 4) in respect of defined contribution pension schemes.

During the year ended 31 August 2023, travel and subsistence expenses totalling £63 were reimbursed to 1 Trustee (2022 - £212 to 3 Trustees).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance cost for the year ended 31 August 2023 was £2,500 (2022 - £2,000). The cost of this insurance is included in the total insurance cost.

15. Tangible fixed assets

	Freehold Land £	Freehold buildings £	Furniture £	Computer equipment £	Equipment £	Total £
Cost or valuation						
At 1 September 2022	811,489	12,168,779	91,952	898,863	1,776,712	15,747,795
Additions	-	-	3,898	41,049	-	44,947
At 31 August 2023	811,489	12,168,779	95,850	939,912	1,776,712	15,792,742
Depreciation						
At 1 September 2022	-	2,485,537	35,889	845,623	1,691,821	5,058,870
Charge for the year	-	251,955	8,789	43,158	16,369	320,271
At 31 August 2023	-	2,737,492	44,678	888,781	1,708,190	5,379,141
Net book value						
At 31 August 2023	811,489	9,431,287	51,172	51,131	68,522	10,413,601
At 31 August 2022	811,489	9,683,242	56,063	53,240	84,891	10,688,925

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

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NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	19,052	12,469
Other debtors	26,136	20,458
Prepayments and accrued income	371,503	118,268
	416,691	151,195

17. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	-	106
Other taxation and social security	73,469	71,218
Other creditors	14,630	12,465
Accruals and deferred income	337,230	196,580
	425,329	280,369

	2023	2022
	£	£
Resources deferred during the year	26,756	-

Deferred income relates predominantly to monies received in advance for trips taking place in the next financial year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Unrestricted funds	21,590	243,441	(182,601)	-	-	82,430
Restricted general funds						
General Annual Grant	572,316	4,776,720	(4,942,580)	263,147	-	669,603
Other DfE/ESFA	106,950	307,610	(317,161)	-	-	97,399
COVID-19 Emergency support	-	1,200	(1,200)	-	-	-
COVID-19 Catch Up Premium	2,947	9,453	(12,400)	-	-	-
Other restricted funds	54,205	218,452	(214,107)	-	-	58,550
Pension reserve	(831,000)	-	(85,000)	-	320,000	(596,000)
	(94,582)	5,313,435	(5,572,448)	263,147	320,000	229,552
Restricted fixed asset funds						
Fixed asset fund	10,688,925	-	(320,271)	44,947	-	10,413,601
DfE/ESFA Capital grants	24,177	56,572	-	(58,780)	-	21,969
Private capital grants	26,392	72,266	-	(39,708)	-	58,950
CIF Income	-	474,553	-	(209,606)	-	264,947
	10,739,494	603,391	(320,271)	(263,147)	-	10,759,467
Total Restricted funds	10,644,912	5,916,826	(5,892,719)	-	320,000	10,989,019
Total funds	10,666,502	6,160,267	(6,075,320)	-	320,000	11,071,449

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds (continued)

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

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

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

Restricted Fixed Asset Funds — representative of the value of fixed assets held within the School for use in achieving charitable objectives.

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 £907,982 (2022: £736,078) on restricted general funds (excluding pension reserve) plus unrestricted funds to mitigate budget pressures and changes to financial funding formulas in subsequent years.

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

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

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

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

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	10,413,601	10,413,601
Current assets	82,430	1,250,881	345,866	1,679,177
Creditors due within one year	-	(425,329)	-	(425,329)
Provisions for liabilities and charges	-	(596,000)	-	(596,000)
Total	82,430	229,552	10,759,467	11,071,449

Analysis of net assets between funds - prior year

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

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NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of financial activities)	84,947	(346,974)
Adjustments for:		
Depreciation	320,271	316,890
Interest receivable	(4,342)	(229)
Defined benefit pension scheme finance cost	85,000	257,000
Decrease/(increase) in debtors	36,375	(10,599)
Decrease in creditors	(13,457)	(42,374)
Capital grants from DfE and other capital income	(603,391)	(19,137)
Net cash (used in)/provided by operating activities	(94,597)	154,577

21. Cash flows from financing activities

	2023 £	2022 £
Interest received	4,342	229
Purchase of tangible fixed assets	113,470	(71,247)
Capital grants received	301,520	19,137
Net cash provided by/(used in) financing activities	419,332	(51,881)

22. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	962,486	737,751
Short term deposits	300,000	200,000
Total cash and cash equivalents	1,262,486	937,751

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

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	737,751	224,735	962,486
Liquid investments	200,000	100,000	300,000
	<u>937,751</u>	<u>324,735</u>	<u>1,262,486</u>

24. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Building renovations	<u>440,636</u>	<u>-</u>

25. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The latest valuation was released on 27 October 2023. Employer contribution rates will increase by 5% from 23.6% to 28.6% with effect from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £510,924 (2022 - £474,898).

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

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

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25. Pension commitments (continued)**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £196,000 (2022 - £159,230), of which employer's contributions totalled £154,000 (2022 - £123,415) and employees' contributions totalled £42,000 (2022 - £35,815). The agreed contribution rates for future years are 22.6 per cent for employers and from 5.5 to 12.5 per cent for employees.

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

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013, and on 21st July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.85	4.05
Rate of increase for pensions in payment/inflation	2.85	3.05
Discount rate for scheme liabilities	5.35	4.25

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	20.7	21.0
Females	23.6	23.8
<i>Retiring in 20 years</i>		
Males	22.0	22.3
Females	25.0	25.3

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

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	(43)	(54)
Discount rate -0.1%	44	55
Mortality assumption - 1 year increase	(83)	(92)
Mortality assumption - 1 year decrease	86	95
CPI rate +0.1%	43	52
CPI rate -0.1%	(42)	(51)

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

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	1,525,000	1,257,000
Other bonds	286,000	310,000
Property	225,000	269,000
Cash	17,000	34,000
Target return portfolio	-	3,000
Infrastructure	303,000	218,000
Longevity insurance	(111,000)	(82,000)
Total market value of assets	2,245,000	2,009,000

The actual return on scheme assets was £(5,000) (2022 - £122,000).

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

	2023 £	2022 £
Current service cost	(205,000)	(323,000)
Interest cost	(32,000)	(41,000)
Administrative expenses	(2,000)	(2,000)
Total amount recognised in the Statement of financial activities	(239,000)	(366,000)

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25. Pension commitments (continued)

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

	2023 £	2022 £
Opening defined benefit obligation	2,840,000	4,367,000
Current service cost	205,000	323,000
Interest cost	119,000	72,000
Employee contributions	42,000	36,000
Actuarial (gains)/losses	(250,000)	(1,861,000)
Estimated benefits paid (net of transfers in)	(115,000)	(97,000)
Closing defined benefit obligation	2,841,000	2,840,000

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

	2023 £	2022 £
Opening fair value of scheme assets	2,009,000	1,841,000
Interest income	87,000	31,000
Return on assets	(92,000)	91,000
Employer contributions	154,000	109,000
Other actuarial gains/(losses)	162,000	-
Employee contributions	42,000	36,000
Benefits paid	(115,000)	(97,000)
Administrative expenses	(2,000)	(2,000)
Closing fair value of scheme assets	2,245,000	2,009,000

KENDRICK SCHOOL
(A company limited by guarantee)

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

	2023 £	2022 £
The amount shown in the Statement of Financial Activities is:		
Actuarial gains/(losses) on defined obligations	(250,000)	(1,861,000)
Actuarial gains/(losses) on scheme assets	(70,000)	(91,000)
	<u>(320,000)</u>	<u>(1,952,000)</u>
	2023 £	2022 £
The amount shown in the Balance Sheet is:		
Present value of defined benefit obligation	(2,841,000)	(2,840,000)
Fair value of scheme assets	2,245,000	2,009,000
	<u>(596,000)</u>	<u>(831,000)</u>

26. Operating lease commitments

At 31 August 2023 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	21,378	26,086
Later than 1 year and not later than 5 years	48,110	49,327
Later than 5 years	-	2,625
	<u>69,488</u>	<u>78,038</u>

27. Members' liability

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

NOTES TO THE FINANCIAL STATEMENTS
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28. Related party transactions

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

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

Close family members of key management personnel are paid a total salary of £2,301 (2022: £4,035).

29. Agency arrangements

The academy trust as an agent for their catering company, receiving payment from the students which are passed directly to the catering company. In the accounting period ending 31 August 2023 the academy trust received £188,016 and disbursed £185,852 from the fund. An amount of £14,630 is included in other creditors relating to payments owed to the catering company.