

TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021
FOR
THE ABBEY SCHOOL (FAVERSHAM)
(A COMPANY LIMITED BY GUARANTEE)

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

THE ABBEY SCHOOL (FAVERSHAM)

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FOR THE YEAR ENDED 31 AUGUST 2021

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THE ABBEY SCHOOL (FAVERSHAM)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

MEMBERS:

D C Corcoran
G R Wilby
A Harris (resigned 16.9.21)
C E Clarkstone

TRUSTEES

T J Martin
C E Clarkstone (resigned 17.9.20)
J A Landsberg
M F Rehal
S L Keeling
R H Speller
D L Shemoon
N R Levitt
L J Brooman
K T Warnock (resigned 4.3.21)
R Fletcher
J Speed
M Baxter (resigned 16.9.21)
L Temple (appointed 3.12.20)
D Brodkorb (appointed 16.9.21)

SENIOR MANAGEMENT TEAM:

R Speller (Headteacher)
S Finlan (Deputy Headteacher)
J Lucas (Deputy Headteacher)
S Spring (Assistant Headteacher)
P Stucken (Assistant Headteacher)
A Le Brunn Healey (Assistant Headteacher (Acting))
K Dickens (Director of Resources)
L Temple (Director of Inclusion/Safeguarding Lead)

REGISTERED OFFICE

London Road
FAVERSHAM
Kent
ME13 8RZ

REGISTERED COMPANY NUMBER 07697086 (England and Wales)

AUDITORS

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

THE ABBEY SCHOOL (FAVERSHAM)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

BANKERS

Lloyds, 49 High Street, Canterbury,
Kent, CT1 2SE

THE ABBEY SCHOOL (FAVERSHAM)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

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

The trust operates an academy for pupils aged 11 to 19 serving a catchment area which includes Faversham in Kent. It has a pupil capacity of 1,226 (2020: 1,226) and had a roll of 1,155 (2020: 1,167) in the school census in October 2020.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The academy trust's object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing

a) by establishing, maintaining, carrying on, managing and developing an academy offering a broad and balanced curriculum.

b) by promoting for the benefit of the inhabitants of Faversham Kent and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who need such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The academy aims to:

- Ensure the school curriculum continues to meet the needs of all students and staff and continue to aspire to the highest standards of teaching and learning in its delivery, thereby achieving our motto: "Be the best you can be".
- Provide a detailed one-year School Improvement Plan which is shared with Trustees. Each priority outlines the target, success criteria and monitoring and evaluation processes.
- Provide first class CPD opportunities for all staff, teaching and support.
- Provide rigorous appraisal, setting staff high aspirational targets for attainment, achievement, teaching and learning, and professional development.
- Provide an all-round education which encompasses PSHE provision, with a particular focus on health, sex, drugs, life skills and citizenship education.
- Continue to provide an all-round education giving opportunities for spiritual, moral, social, and cultural education.
- Provide advice and guidance (IAG) at all levels throughout students' education and give information and advice which supports students' curriculum choices at KS4, KS5 and beyond to university, college, or work with training.
- Keep abreast of all government changes in curriculum and pastoral and implement accordingly.
- To continue to review this curriculum and its delivery in order to ensure it meets the needs of its students and to encourage high aspirations and to enable all to fulfill their potential.
- To further develop the use of ICT in school and the VLE to support teaching and learning and administration.
- To monitor the use and impact of pupil premium throughout the school.

Objectives, Strategies and Activities

The academy worked hard to achieve its aims and Trustees were kept informed through the work of committees and reporting to the full Board of Trustees. The Headteacher provided detailed reports 3 times per year which outlined progress against objectives and targets and all departments provided up to date information on progress and activities in their respective areas.

THE ABBEY SCHOOL (FAVERSHAM)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17 (5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

We have referred to the guidance in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The public benefit of The Abbey School (Faversham) is the advancement of education within the local community.

Disabled Persons

The policy of the academy is to support recruitment and retention of students and employees with disabilities. The academy does this by adapting the physical environment, by making support resources available and through training and career development.

STRATEGIC REPORT

ACHIEVEMENT AND PERFORMANCE

Leadership and Management

Over the last year we have submitted plans to the Regional School Commissioner's office to merge our trust with that of Brockhill Performing Arts College in Saltwood, Hythe. The detailed plans were supported by the Trustees and Members of both Single Academy Trusts along with their respective leadership teams. The combined Progress 8 outcomes of both schools in any new trust would have been better than other East Kent based secondary MATs, based on 2019 data. Moreover both our schools had consistently 'Good' Ofsted inspections since their academisations over a decade ago.

Unexpectedly, the Headteacher Board for the RSC turned the application down, but the leadership team feels that it has learned a huge amount from the application process. It feels that it is in an extremely strong position to re-apply again at some future point given the continuing improvements in culture at The Abbey School and the knowledge about how MAT applications are processed and considered.

Gaps in students' knowledge and understanding were mapped following return from Covid-19 at the start of the academic year. Teaching staff adapted their planning and curricula to ensure that schemes of learning considered the impact of learning from home. This planning was further modified and adapted as the year progressed due to the Academy being largely closed on-site for most students from late November 2020 to March 2021. Online learning via Microsoft Teams and interactive video lessons was offered to all throughout this period.

Covid-19 Catch-up funding was directed to tackle the gaps in learning that were exacerbated during the global pandemic. 37 students received support through the National Tutoring Programme via an external provider. The Academy's own Academic Mentor team also worked closely with around 10% of each year group to support the holistic academic development of students in most need of support. Resources were purchased to assist classroom and on-line learning. Moreover, a 'Summer School' was offered to Year 6 transition students during the August holiday, which was attended by the majority of those eligible.

A significant amount of governance and leadership time was spent ensuring that the Academy effectively managed the risks linked to Covid-19 along with the implementation of appropriate mitigation strategies. For the entire 2020/21 academic year, the Academy operated in year-group based bubbles. This meant that each year group had their lessons predominantly on one part of the site. In addition, they had separate lunch times and dismissal times. Face masks were used across the site in line with the Government guidance.

THE ABBEY SCHOOL (FAVERSHAM)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENT AND PERFORMANCE

Quality of Teaching, Learning and Assessment

Knowledge is a core focus in our lessons. Spaced repetition was encouraged from our teachers through retrieval practice techniques. These included the use of Knowledge Organisers to prioritise and sequence learning. Low stakes testing was also embedded into our lessons to ensure that students were regularly being assessed for the quality of their active recall.

Staff spent considerable time working together on the consistency of their rituals and routines for lessons. This benefits students by removing ambiguity and uncertainty. It particularly supports those learners that most require systems and structure to guide them on their learning journey whilst at school. All of the staff in the school now use common classroom entry and exit routines, alongside agreed patterns for the sequencing of a typical lesson. Teachers all have similar expectations of students and micro-scripts are used to support the most common interactions with students.

As earlier highlighted in the Leadership and Management sub-section (above), much work was undertaken by teaching staff to address the issues created by Covid-19. This included a transition to online learning using Microsoft Teams and the re-writing of schemes of learning in response to identified gaps in learning. The governors and leadership of the Academy acknowledged the need to place appropriate emphasis of addressing students' learning gaps whilst also recognising that quality first classroom teaching needed to remain the main priority.

Senior staff continued their annual programme for Monitoring and Evaluation of Teaching and Learning (METAL), albeit with some adaptations for online and blended learning. Teaching via MS Teams was sampled for its quality, and feedback was given to colleagues during the period of lockdown so that they could improve their digital teaching skills.

Personal Development, Behaviour and Welfare & SMSC

The biggest area of development in this area has been the creation of a 'Pastoral Hub' located at the bottom of 'S Block'. This now means that all the professionals supporting students' pastoral needs are co-located in the same area, thus providing better wrap-around support for individuals. These staff include Heads of Year, School Counsellor, Director of Behaviour, Reflection Staff and those colleagues working in our Personalised Education Centre (PEC). Conveniently the SEN team and TA's are also based nearby.

Standards in the Academy for courtesy, respect and politeness continue to be enhanced through improvements to our systems and policies. We remind our students to be extremely polite and say 'Good Morning/Afternoon' to other community members. We not only stress the importance of saying 'Sir' or 'Miss' every time, but also the value of giving answers in full sentences. We ask students to speak loudly and clearly using their 'university voices'. Focus on these basics is essential for students to have the social skills and personality traits that are going to make them successful later in their lives.

Behaviour expectations are unashamedly high and we make this very clear to parents considering sending their children to the Academy. Systems, structures, rituals and routines in our school that make us very different to other schools are explained to parents. These ensure that our students develop the learning habits necessary throughout the rest of their school careers and beyond. In the last 12 months a new school uniform for Year 7 students and a 'Golden Ticket' system to reward our hardest working students have been introduced.

Attendance continues to be an area of priority for our Academy, as for all schools nationally. Data shows that, whilst attendance rates have slipped, these broadly mirror those seen in all secondary schools across England. This is considered to be a success given the high levels of deprivation and other complex social issues that exist amongst the school community. A number of strategies have been identified that will be employed to boost attendance in the 2021/22 academic year in the expectation that schools remain open.

THE ABBEY SCHOOL (FAVERSHAM)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENT AND PERFORMANCE

Raising Standards

The continued absence of any normal exam season makes fair comparisons with previous years or other schools largely impossible or statistically irrelevant. What has been clear, and expected, is that the Year 11 cohort completing in Summer 2021 had far more interruption to their studies than the cohort the year earlier. Despite this, pass rates in most subjects have remained pleasingly high and substantially above where they stood in the last full academic year prior to Covid-19 (i.e. 2019-20).

Efforts to improve standards have included prioritising resources towards those students most affected by Covid-19 school closure and blended learning. These include Pupil Premium, SEN and CIC students.

A new member of the senior leadership team with the specific remit and responsibility for tackling Covid-19 gaps has been appointed. This has made a huge difference to the strategic oversight of this area as well as clarity of reporting to trustees.

Evidence-based practice is central to school improvement at The Abbey School. We have sought to promote and embed those strategies that are shown to have most impact across our community. This is evidenced in 'The Abbey Lesson' which is a description of the features one can expect to see in a 'typical' hour long lesson within the Academy. Clarity is provided to staff on how we expect active recall, spaced repetition to form part of the learning.

Expectations are modelled to staff on a daily basis by senior staff to ensure that all teachers understand how consistently these need to be applied. This includes the approach to questioning and answering via 'cold calling' or the use of 'call and response' techniques. The central philosophy underpinning the drive to raise standards is that The Abbey School is somewhere that no student should be able to 'hide' away from actively participating in class. We now stress the importance of learning being fast paced, inclusive and being no-opt out.

Part of the focus on improving standards has included the Sixth Form. A number of strategies have been used from raising the expectations of school uniform (i.e. now formal business wear) to reducing the curriculum offer to ensure quality over quantity of courses. A programme of core learning to support students' personal development has been implemented. This now means that Sixth Form students at the Academy have fewer 'free periods' between lessons and instead attend sessions that will prepare them holistically for adult life and their future careers.

Key Financial Performance Indicators

The academy had 1,155 students on roll during the 2020/2021 year.

Key Stage 4

Attainment 8 was 39.16 (Grade 4)

27% achieved a strong pass in English and Mathematics - 25% in 2019

57% achieved a standard pass in English and Mathematics - 50% in 2019

12% achieved the English Baccalaureate - 11% in 2019

Key Stage 5

The average points score per academic entry is 33.73 (C Grade) - 19.15 in 2019

The average points score per applied entry is 31.48 (Distinction) - 26.16 in 2019

THE ABBEY SCHOOL (FAVERSHAM)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW

Financial Position

The academy's accounting period covers a twelve-month trading period from 1 September 2020 to 31 August 2021. The majority of the academy's income is obtained from the Education and Skills Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also received grants for fixed assets from the ESFA, via the local authority and other sources. In accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the restricted fixed assets fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The academy has also received income from its leisure activities.

During the year under review, total expenditure of £9,137,473 (2020: £8,264,847) was covered by recurrent grant funding from the DfE together with other incoming resources. The surplus of income over expenditure for the period (excluding restricted fixed asset funds and the pension deficit) was £264,859 (2020: £96,133).

At 31 August 2021 the net book value of fixed assets was £16,027,748 (2020: £12,783,760) and movements in tangible fixed assets are shown in note 18 to the financial statements.

Key Financial Performance Indicators:

	31.8.21	31.8.20
Educational wages per pupil enrolled	£4,705	£4,548
Total wages ex sports centre as a percentage of GAG funding	96%	104%
Total wages ex sports centre as a percentage of total revenue grants	77%	82%

Going Concern

The Board of Trustees is confident that the academy trust has adequate resources to continue in operational existence for the foreseeable future. In the financial year 2021/22, despite a reduction in 6th Form numbers, the academy will receive a significant rise in funding as increased numbers of students are moving into Key Stage 4, as well as support from the Local Authority with regards to basic needs as it increases the Year 7 PAN by 30 students. With rising rolls planned to continue over the next 5 years, the board of trustees is confident that the financial future of the academy trust is secure.

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.

Investment Policy and Objectives

The academy is limited to the amount of reserves that it is able to hold and in general these need to be readily accessible. The practice is, therefore, to keep any reserves in an interest-bearing bank account.

THE ABBEY SCHOOL (FAVERSHAM)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW

Reserves Policy

It is the Trustees' objective to maintain a structure of prudent financial management. To this end we aim to carry forward an amount of reserves, so that the academy can best protect and plan its current and future operating activities. The Trustees consider that this amount is equal to 3% of GAG or £188,408. The academy currently has free reserves of £41,164 (2020: £98,779) after accounting for £175,000 (2020: £152,120) which has been designated for the 3G pitch sinking fund. The restricted general funds are £431,898 (2020: £145,614) (before accounting for the pension liability). Restricted general funds, excluding the pension reserve plus unrestricted funds were £648,062 at the year-end (2020: £396,513). The trust continues to work towards its target level of reserves.

Restricted funds (excluding restricted fixed asset funds) at 31 August 2021 show a deficit of £4,230,102 (2020: £3,751,386) this is after accounting for the deficit on the local government pension scheme. The deficit on the scheme as at 31 August 2021 was £4,662,000 (2020: £3,897,000). It should be noted however that this deficit will not crystallise in the foreseeable future and that the academy follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. This level of contributions has been taken into account when preparing the academy's budgets for the year ending 31 August 2021.

Total funds at 31 August 2021 are £12,122,108 (2020: £9,485,523).

Principal Risks and Uncertainties

The principal risk and uncertainty in respect of the academy relates to the future funding available. The academy mitigates this risk as far as possible by preparing budgets which are reviewed by the Trustees to ensure that the level of anticipated funding is sufficient to meet the requirements of the academy. Any shortfall identified is considered by the Trustees and remedial action taken with a view to balancing the budget.

FUNDRAISING

Fundraising was minimal in 2020/21 because of COVID-19 and consequently a lot of the normal house fundraising events did not happen as planned. The total raised was £61. The Academy does not use commercial fundraisers. Any complaints regarding our fundraising activities will be dealt with in accordance with Charity Commission guidance.

THE ABBEY SCHOOL (FAVERSHAM)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

PLANS FOR FUTURE PERIODS
ACADEMY IMPROVEMENT PRIORITIES 2020/2021

The priorities for 2021/2022 are guided by five aims.

1. Recovering from Covid-19
2. Superb teaching and learning
3. High quality curriculum planning
4. Exceptional behaviour, welfare and personal development
5. Strengthening the Sixth Form provision

The Academy has 15 priorities.

1. To implement effective holiday catch-up provision targeted at those in need
2. To use academic mentoring or coaching to support selected students
3. To have assessment systems that have identified remaining learning gaps and teachers that have effective plans in place to address these
4. To focus expectations and routines in the final 10 minutes of all lessons
5. To embed drill in core subject areas including rolling numbers and poetry
6. To focus on improving active cognitive engagement through no-opt out
7. To ensure that curriculum plans have been adapted for Covid-19 learning gaps
8. To have plans for each subject to show intent, implementation and impact
9. To have plans for departments to evidencing lost learning being addressed
10. To have silent corridors with purposeful student transitions between lessons
11. To implement a split-lunchtime with clear routines and expectations
12. To re-introduce extra-curricular provision and opportunity post Covid-19
13. To improve the dress code of sixth form students along with expectations
14. To codify 'The Abbey Lesson' for sixth form students
15. To improve facilities for teaching and learning in our Sixth Form Centre which will support improved private study.

Sixth Form Targets

To maintain the improved attainment in academic and vocational subjects from Summer 2021
The A*-C pass rates in both to be sustained as normal exam seasons are resumed.

Year 11 Targets

Progress 8 score above -0.20*
30% grade 5 and above in English and Mathematics
To close the gap for disadvantaged pupils to -0.1 for Progress 8*

Lower School Targets

75% of students to be on target for three levels of progress in EBAC subjects
25% of students to be on target for four levels of progress in EBAC subjects

Attendance Target

An aspirational target for recovery from Covid-19 of 90% or at least meeting the national average for secondary schools for the 2021/22 academic year (dependent on Covid-19 circumstances)

*Meaningful progress comparisons between schools may prove difficult in light of the impact of the pandemic

THE ABBEY SCHOOL (FAVERSHAM)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The Trustees of The Abbey School (Faversham) are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Abbey School (Faversham).

Details of the Trustees who served throughout the year and up to the date these accounts are approved, except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Subject to the provisions of the Companies Act 2006, every Trustee, officer or auditor of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy trust.

THE ABBEY SCHOOL (FAVERSHAM)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of Recruitment and Appointment or Election of New Trustees

The members may appoint up to 15 trustees. The members may appoint staff trustees through such a process as they may determine, 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.

The Headteacher shall be treated for all purposes as being an ex officio trustee.

The parent trustees shall be elected by parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time of their election. The Board of Trustees shall make all necessary arrangements from and determine all other matters relating to, an election of parent trustees, including any question of whether a person is a parent of a registered pupil at the academy. Any election of parent trustees which is contested shall be held by secret ballot.

Where a vacancy for a parent trustee is required to be filled by election, the Board of Trustees shall take such steps as are reasonably practical to ensure that every person who is known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

In appointing a Parent Trustee, the Board of Trustees shall appoint a person who is the parent of a registered pupil at the academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

The Staff Trustees shall be elected by a secret ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the academy (excluding the Headteacher). All arrangements for the calling and the conduct of the election and resolution of questions as to whether any person is an eligible candidate shall be determined by the Trustees. If a Staff Trustee ceases to work at the academy then he shall be deemed to have resigned and shall cease to be a Trustee automatically on termination of his work at the academy. Any election of a Staff Trustee which is contested shall be held by secret ballot.

The Trustees may appoint up to three co-opted Trustees. The Trustees may not co-opt an employee of the academy trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the academy trust would exceed one third of the total number of Trustees (including the Headteacher).

The Secretary of State may appoint additional Trustees as he thinks fit if a warning notice has been given to the Trustees because the standards of performance are unacceptably low, there is a serious breakdown in the way the academy is managed and the safety of staff and pupils is threatened and following this, the Trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The Secretary of State may also appoint additional Trustees following an inspection by the Chief Inspector in accordance with the Education Act 2005 the academy trust receives an Ofsted grading which amounts to a drop, either from one inspection to the next inspection or between any two inspections carried out within a five year period.

The Secretary of State may also appoint further Trustees as he thinks fit if a Special Measures Termination Event occurs.

THE ABBEY SCHOOL (FAVERSHAM)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The Trustees are responsible for the strategic direction of the Academy, making major decisions and monitoring the activities of the Academy. This is achieved through 4 meetings a year of the Full Board of Trustees and meetings of Committees set up to look at specific areas of the Academy's activities. The Trustees are responsible for monitoring the performance of the Headteacher on a regular basis. The Headteacher is assisted by two Deputy Headteachers and three Assistant Headteachers. The organisational structure cascades via Senior Leaders and Middle Managers that include Heads of Department and Heads of Year.

Policies and Procedures Adopted for the Induction and Training of Trustees

The induction provided for new Trustees is tailored to their existing experience, with training provided on charity, educational, legal and financial matters as necessary. Copies of the policies, procedures, minutes, accounts, budget, plans and any other necessary documents that they will need to undertake their role as a Trustee will be made available.

On-going training is available through Kent County Council Trustee Services. They provide an annual calendar of training events in addition to online training that all Trustees can access. Training sessions for all Trustees are arranged at the School on appropriate topics, usually once per year.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees will confirm the membership of the Academy's Leadership team and determine the pay ranges applicable for each post. The pay range for a vacant leadership post will be determined by the Trustees prior to the post being advertised. The Trustees will ensure decisions on pay and reward are consistent with the provisions of the STPCD and take due account of any supplementary guidance issued by the DfE. Pay reviews for Leadership posts will normally be undertaken by the Appraiser in conjunction with the Headteacher. The Headteacher will advise the Trustees regarding the pay progression for all members of the Leadership team. The Trustees will consider annually whether to award pay progression to members of the leadership group who have completed a year of employment since the previous pay determination.

Pay reviews will take place as soon as possible after the 1st September but no later than 31st December. In the event of pay progression being awarded this will take effect from 1st September. Pay decisions will be clearly attributable to the performance of the individual. In making a determination the pay committee will have regards to:

- The individual's performance as evidenced in the appraisal process.
- The pay recommendation contained within the appraisal report.

Sustained high quality performance should give the individual an expectation of progression up the pay range. The general expectation for pay progression is as follows:

- Towards the bottom of the pay range - evidence of consistently good leadership practice.
- Towards the top of the pay range - increasingly significant evidence of outstanding leadership practice with all their practice being consistently good.

Trade Union Facility Time

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy trust had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31 August 2021.

THE ABBEY SCHOOL (FAVERSHAM)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£
Total cost of facility time	Nil
Total pay bill	6,554,301

Percentage of the total pay bill spent on facility time calculated as:

$$(\text{total cost of facility time} \div \text{total pay bill}) \times 100 \quad 0\%$$

Paid trade union activities

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

$$(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100 \quad 0\%$$

Related Parties and Other Connected Charities and Organisations

The school has collaborated with Brockhill School and Queen Elizabeth's Grammar School to share expertise and experience.

FUNDS HELD AS CUSTODIAN FOR OTHERS

The academy trust and the trustees hold no funds as custodian trustees.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational area (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimize risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

THE ABBEY SCHOOL (FAVERSHAM)
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AUDITORS

In so far as the Trustees are aware:

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

Approved by order of the board of trustees on 2 December 2021 and signed on its behalf by:

A handwritten signature in black ink, consisting of a stylized 'T' and 'J' followed by 'Martin'.

T J Martin - Trustee

THE ABBEY SCHOOL (FAVERSHAM)
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Abbey School (Faversham) 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 of loss.

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

The board of the trustees has delegated the day-to-day responsibility to the Principal, 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 The Abbey School (Faversham) and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

As Trustees, we acknowledge we have overall responsibility for ensuring that The Abbey School (Faversham) has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. The Board of Trustees has delegated the day-to-day responsibility to 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 The Abbey School (Faversham) and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

THE ABBEY SCHOOL (FAVERSHAM)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

The information included on governance here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The full Board of Trustees has formally met six times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings Attended	Out of a Possible
Mr T J Martin (Chair)	6	6
Mrs C Clarkstone - Resigned 17.09.2020	1	1
Dr R H Speller	6	6
Mrs M F Rehal	5	6
Mrs J Landsberg	6	6
Mrs S Keeling	4	6
Mr N Levitt	6	6
Ms L Brooman	6	6
Mr D Shemoon	4	6
Mrs R Fletcher	6	6
Mr J Speed	2	6
Dr M Baxter - Resigned 16.09.21	2	6
Mrs L Temple - Appointed 03.12.2020	4	4
Mr K Warnock - Resigned 04.03.2021	2	2

There have been no changes to the composition of the Board of Trustees since the appointments shown in the Reference and Administrative details on page 1.

Governance Reviews

The Board have reviewed the effectiveness of the Board and below details the outcome of the review:

During the year the Board of Governors reviewed the following:

- The Statutory Accounts to 31 August 2020
- The Budget for the year to August 2021
- The 3 Year Forecast to August 2023
- Insurance renewal
- Pension deficit
- Statutory Policies
- The Risk Register
- The Quarterly External Compliance reports

In addition, the Board of Governors scrutinised and challenged the following:

- The Monthly Management Accounts, monitoring actual income and expenditure against projections and questioning variances.
- Pay Policy for teachers
- Pay awards for support staff
- Tenders and all expenditure over £8,000
- Enrichment Activities for Students for approval
- Refurbishments to the school site

The Board of Governors is experienced with a wide range of skills that are used effectively in the governance of the academy. The Board has actively recruited governors with financial and legal backgrounds as they identified this as an area they wished to improve upon.

THE ABBEY SCHOOL (FAVERSHAM)
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

Financial data has been presented in a consistent manner for a number of years, so governors are able to access the data easily and make comparisons with previous periods, identifying variances when they occur. Governors are confident that they have a good understanding of the academy's financial position in the short and long term and able to make effective decisions based on this.

The Board of Governors believe that the data they receive from the leadership team is honest and accurate and are confident that they have a very good understanding of where the academy is meeting its objectives and what aspects need improvement.

The Resources Committee is a sub committee of the main Board of Trustees. Its purpose is to effectively plan and monitor the financial resources of the Academy. Attendance at meetings in the period under review is shown below.

Trustee on Resources/Audit Committees Meetings Attended Out of a Possible

Trustee on Resources/Audit Committees	Meetings Attended	Out of a Possible
Ms L Brooman (Chair of Resources)	4	4
Dr R H Speller	4	4
Mrs J Landsberg	3	4
Mr N Levitt	4	4
Mr D Shemoun	1	4
Mr J Speed	1	4
Mr T J Martin	2	4

Resources/Audit Committee Review

The following finance items were reviewed and agreed by the Resources and/or Audit Committee at the three meetings:

- Reviewed the academy's Financial Procedures Manual and all corresponding financial policies for approval by the Governing Body.
- Reviewed the academy's one year and three-year budgets.
- Reviewed the budget monitoring reports and associated management reports monitoring the projected out-turn position.
- Monitored earmarked funds, trading activities and large academy operations, (e.g. catering, sports facilities, extended school activities, lettings, etc.) ensuring that the allocations are spent in accordance with the recognised terms and within the allocation set out in the budget.
- Reviewed the quarterly Responsible Officer reports.
- Reviewed the staff structure of the academy.
- Reviewed the financial implications of changes to the staffing structure, numbers and grades, and approved these.
- Reviewed contracts on an on-going basis as part of ensuring the academy continues to achieve 'best value' including Personnel and Grounds Maintenance.
- Reviewed the academy's Risk Management Policy and the Risk Register.

Governance Review

A skills audit is undertaken annually and the results are compiled to give Trustees an understanding of strengths and weaknesses. This analysis, along with academy improvement priorities, is used in the recruitment of new Trustees. Following the recent resignation of Trustees, it was decided to recruit additional trustees that would bring a variety of additional skills, knowledge and experience to add to the considerable experience of the remaining Trustees. This year Trustees have actively sought to recruit people with expertise and experience in teaching and learning. The Trustees have a Learning and Development representative to coordinate the training and development of trustees. The next review of governance is expected to take place in November/December 2021.

THE ABBEY SCHOOL (FAVERSHAM)
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

The Full Board consider that, in normal operating conditions, 4 meetings a year, accompanied by the Resource Committee meetings ensure adequate oversight and strong governance. However, as a result of Covid-19, the Board considered it necessary to meet six times, but will keep this under review on an annual basis. Throughout the Covid-19 epidemic, all full board and sub-committee meetings have been held on Microsoft Teams. Information has been presented on Teams in advance and all discussion and decisions taken have been minuted by the clerk as usual. Named governors were identified to authorise expenditure on essential services and equipment to support the students' home learning and safe return to school following lockdown.

Review of Value for Money

As accounting officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the academy 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year, with the following activities as examples:

- Trustees considered tenders from audio visual and furniture providers to release considerable funds to equip the new technology building.
- The academy has procured a new grounds maintenance contract following the dissolution of the existing company.
- Sealed tenders were considered for a major refurbishment of the sixth form area. The successful company was able to offer a significantly reduced charge for the work as it was already encamped on site as a result of the new building work.
- Despite the additional costs related to Covid-19, such as improved hand washing facilities, toilet refurbishments, provision of outside dining areas and signage, the academy retained a surplus in-year position.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Abbey School (Faversham) for the period from 31 August 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

THE ABBEY SCHOOL (FAVERSHAM)

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Baxter and Co, a company independent of the Academy's auditor, to perform additional checks on behalf of the internal reviewer. The internal reviewer on the Board of Trustees is Ms L Brooman. The internal reviewer'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 period included the testing and review of:

- payroll and personnel systems;
- purchase processing systems and tendering procedures;
- completeness of ESFA income;
- completeness of other income;
- sales processing and debtors ledger;
- balance sheet control accounts;
- expense claims; and
- petty cash reconciliations

On a quarterly basis, the internal reviewer takes the auditor's reports to the Board of Trustees concerning the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The Board of Trustees confirms that the internal reviewer function has been fully delivered in line with the ESFA's requirements and that no material internal control issues were identified during those visits.

THE ABBEY SCHOOL (FAVERSHAM)
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

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 reviewer;
- the work of the external auditor; and
- the work of the executive managers 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 of the result of any review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 2 December 2021 and signed on its behalf by:

A stylized, cursive signature in black ink, appearing to read 'T J Martin'.

T J Martin - Trustee

A stylized, cursive signature in black ink, appearing to read 'R H Speller'.

R H Speller - Trustee

THE ABBEY SCHOOL (FAVERSHAM)

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

As Accounting Officer of The Abbey School (Faversham) 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 ESFA terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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

Dr R Speller - Accounting Officer

2 December 2021

A handwritten signature in black ink, appearing to read 'R. Speller', with a long horizontal line extending from the bottom of the signature.

THE ABBEY SCHOOL (FAVERSHAM)

TRUSTEES' RESPONSIBILITY STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who act as governors of The Abbey School (Faversham) and 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 issued 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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 to 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 the ESFA/DfE have been applied for the purposes intended.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- 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 auditors are aware of that information.

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

Approved by order of the members of the board of trustees on 2 December 2021 and signed on its behalf by:



T J Martin - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ABBEY SCHOOL (FAVERSHAM)**

Opinion

We have audited the financial statements of The Abbey School (Faversham) (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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) and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

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 Auditors' 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ABBEY SCHOOL (FAVERSHAM)**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the report of the trustees (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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; or

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ABBEY SCHOOL (FAVERSHAM)**

Our 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 a Report of the Independent Auditors 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy trust through discussions with directors and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy trust, including, but not limited to, the Companies Act 2006, UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to;

- agreeing financial statements disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulator.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Committee of Management and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ABBEY SCHOOL (FAVERSHAM)**

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 Report of the Independent Auditors.

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 auditors' 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 the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

2 December 2021

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

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

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

Respective responsibilities of The Abbey School (Faversham)'s accounting officer and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the internal reviewer during the period;
- Review of governance arrangements and procedures and related compliance with the requirements of the Academies Financial Handbook, including the distribution and content of management accounts and quantity of meetings.
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the governing body;
- Review of fixed asset transactions against the requirements of the funding agreement between The Abbey School (Faversham) and the Secretary of State and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

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

Conclusion

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



McCabe Ford Williams
Chartered Accountants
Reporting Accountant
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

2 December 2021

THE ABBEY SCHOOL (FAVERSHAM)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

					31.8.21	31.8.20
	Notes	Unrestricted fund £	Restricted fixed assets £	Restricted general funds £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	500	4,160,265	30	4,160,795	507,512
Charitable activities						
Funding for the academy's educational operations	3	-	-	7,806,469	7,806,469	7,093,215
Academy's sport centre operations		36,753	-	-	36,753	89,612
Other trading activities	4	15,870	-	47,011	62,881	203,380
Investment income	5	160	-	-	160	331
Total		53,283	4,160,265	7,853,510	12,067,058	7,894,050
EXPENDITURE ON						
Raising funds	8	5,079	-	19,016	24,095	38,000
Charitable activities	10					
Academy's educational operations	9	46,461	1,023,539	8,006,900	9,076,900	8,107,931
Academy's sport centre operations		36,478	-	-	36,478	118,916
Total		88,018	1,023,359	8,025,916	9,137,473	8,264,847
NET INCOME/(EXPENDITURE)		(34,735)	3,136,726	(172,406)	2,929,585	(370,797)
Transfers between funds	25	-	13,310	(13,310)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	-	(293,000)	(293,000)	(429,000)
Net movement in funds		(34,735)	3,150,036	(478,716)	2,636,585	(799,797)
RECONCILIATION OF FUNDS						
Total funds brought forward		250,899	12,986,010	(3,751,386)	9,485,523	10,285,320

The notes form part of these financial statements

THE ABBEY SCHOOL (FAVERSHAM)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

				31.8.21	31.8.20
	Unrestricted	Restricted	Restricted	Total	Total
	fund	fixed	general	funds	funds
Notes	£	assets	funds	£	£
	£	£	£	£	£
TOTAL FUNDS CARRIED FORWARD	216,164	16,136,046	(4,230,102)	12,122,108	9,485,523

The notes form part of these financial statements

THE ABBEY SCHOOL (FAVERSHAM)

BALANCE SHEET
31 AUGUST 2021

	Notes	31.8.21 £	31.8.20 £
FIXED ASSETS			
Tangible assets	18	16,027,748	12,783,760
CURRENT ASSETS			
Debtors	19	625,039	566,289
Cash at bank and in hand		<u>477,018</u>	<u>305,261</u>
		1,102,057	871,550
CREDITORS			
Amounts falling due within one year	20	(279,147)	(192,927)
NET CURRENT ASSETS		<u>822,910</u>	<u>678,623</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,850,658	13,462,383
CREDITORS			
Amounts falling due after more than one year	21	(66,550)	(79,860)
PENSION LIABILITY	26	(4,662,000)	(3,897,000)
NET ASSETS		<u>12,122,108</u>	<u>9,485,523</u>
FUNDS	25		
Unrestricted income fund		216,164	250,899
Restricted general funds		431,898	145,614
Pension fund		(4,662,000)	(3,897,000)
Restricted fixed asset fund		<u>16,136,046</u>	<u>12,986,010</u>
TOTAL FUNDS		<u>12,122,108</u>	<u>9,485,523</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 2 December 2021 and were signed on its behalf by:



T J Martin - Trustee

The notes form part of these financial statements

THE ABBEY SCHOOL (FAVERSHAM)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	31.8.21 £	31.8.20 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(207,107)</u>	<u>(513,563)</u>
Net cash used in operating activities		<u>(207,107)</u>	<u>(513,563)</u>
 Cash flows from investing activities			
Capital grants from DfE/EFA		392,014	514,795
Interest received		<u>160</u>	<u>331</u>
Net cash provided by investing activities		<u>392,174</u>	<u>515,126</u>
 Cash flows from financing activities			
Loan repayments in year		<u>(13,310)</u>	<u>(13,309)</u>
Net cash used in financing activities		<u>(13,310)</u>	<u>(13,309)</u>
		<u> </u>	<u> </u>
 Change in cash and cash equivalents in the reporting period		171,757	(11,746)
Cash and cash equivalents at the beginning of the reporting period		<u>305,261</u>	<u>317,007</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>477,018</u></u>	<u><u>305,261</u></u>

The notes form part of these financial statements

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.21 £	31.8.20 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	2,929,585	(370,797)
Adjustments for:		
Depreciation charges	456,013	444,659
Capital grants from DfE/ESFA	(392,014)	(514,795)
Interest received	(160)	(331)
Defined benefit pension scheme finance	60,000	55,000
Defined benefit pension scheme admin	3,000	2,000
Donated assets included in income	(3,768,251)	-
Donated assets in revenue expenditure	68,251	-
Increase in debtors	(58,750)	(395,328)
Increase/(decrease) in creditors	86,219	(7,971)
Difference between pension charge and cash contributions	<u>409,000</u>	<u>274,000</u>
Net cash used in operations	<u>(207,107)</u>	<u>(513,563)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank and in hand	<u>305,261</u>	<u>171,757</u>	<u>477,018</u>
	<u>305,261</u>	<u>171,757</u>	<u>477,018</u>
Debt			
Debts falling due within 1 year	(13,309)	(1)	(13,310)
Debts falling due after 1 year	<u>(79,860)</u>	<u>13,310</u>	<u>(66,550)</u>
	<u>(93,169)</u>	<u>13,309</u>	<u>(79,860)</u>
Total	<u>212,092</u>	<u>185,066</u>	<u>397,158</u>

The notes form part of these financial statements

THE ABBEY SCHOOL (FAVERSHAM)

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2020 to 2021 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Abbey School (Faversham) meets the definition of a public benefit entity under FRS 102.

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 company 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 approval of the financial statements.

With rising rolls and sixth form increases planned to continue over the next 5 years, the board of trustees is confident that the financial future of the academy trust is secure and for this reason the Trustees continue to adopt the going concern concept in preparing the accounts.

Critical accounting judgements and key sources of estimation uncertainty

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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 net book value of leasehold property, included within fixed assets, is based on assumptions in relation to the useful life of property and the residual value of the assets. The element of leasehold property which relates to land is deemed not to have a finite life and is not depreciated. The element of leasehold property which does not relate to land is depreciated over the estimated life of the individual buildings, and it is assumed that the asset has no residual value. Any changes in these assumptions will have an impact on the carrying amount of fixed assets.

Critical areas of judgement

The trustees do not consider there to be any critical areas of judgement, other than those relating to estimation above, which have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES - continued

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received 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 period is deducted from income and recognised as a liability.

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Donated fixed assets

Donated Fixed assets are measured at fair value as a donation and a corresponding amount is recognised with in fixed assets and depreciated over the useful economic life of the asset.

Donated Consumables

Donated consumables are measured at fair value as a donation and a corresponding expense is recognised with in expenditure.

Leasehold property donated

The land and buildings from which the academy operates are leased from Kent County Council for a period of 125 years. Rentals payable in respect of this lease are one peppercorn per annum. Under the terms of the lease the risks and rewards of ownership have been substantially transferred to The Abbey School (Faversham) and accordingly to reflect its use, the value of the property has been included in fixed assets with an appropriate credit to voluntary income within the Statement of Financial Activities in the year it was donated.

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.

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES - continued

Expenditure

-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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Leasehold property	- over the remaining life of the individual buildings
Leasehold land	- over the remaining term of the lease
3G artificial pitch	- straight line over 20 years
Improvements to Property	- over the life of the improvement

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. Prepayments are not financial instruments. Cash at bank - is classified as a basic financial instrument and is measured at face value.

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 20 and 21. 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 other financial instrument.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities.

Taxation

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

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and Kent County Council. Designated funds comprise 3G sports pitch maintenance costs.

Hire purchase and leasing commitments

Rentals in respect of operating leases are charged to the Statement of Financial Activities in the period in which they are incurred.

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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. The 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 ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the 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 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.

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. DONATIONS AND CAPITAL GRANTS

	31.8.21	31.8.20
	£	£
Other donations	3,768,781	2,010
Capital Grants	<u>392,014</u>	<u>505,502</u>
	<u>4,160,795</u>	<u>507,512</u>

Included within other donations is £3,768,251 of donated assets gifted by the DfE. These being, a donated fixed asset, the C Block Building valued at £3,700,000 which is included within leasehold property and land. There was also donated consumables which have a fair value of £68,251 being laptops which have been included within IT revenue expenditure.

Grants received, included in the above, are as follows:

	31.8.21	31.8.20
	£	£
Other grants	-	40,000
ESFA Capital	<u>392,014</u>	<u>465,502</u>
	<u>392,014</u>	<u>505,502</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
DfE/ESFA grants				
General Annual Grant	-	6,280,253	6,280,253	5,611,905
Other DfE/ESFA Grants	-	197,199	197,199	155,890
Pupil Premium	-	317,381	317,381	318,621
Teachers Pension Grant	-	227,197	227,197	221,420
	-	<u>7,022,030</u>	<u>7,022,030</u>	<u>6,307,836</u>
Other Government grant				
Local authority grants	-	<u>677,769</u>	<u>677,769</u>	<u>785,379</u>
COVID-19 Additional Funding (DfE / ESFA)s				
Other DfE / ESFA COVID-19 Funding	-	20,990	20,990	-
Catch up premium	-	<u>85,680</u>	<u>85,680</u>	-
	-	<u>784,439</u>	<u>784,439</u>	<u>785,379</u>
	-	<u>7,806,469</u>	<u>7,806,469</u>	<u>7,093,215</u>

The academy received £20,990 of funding for catch up premium and costs incurred in respect of this funding totalled £20,990.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Teachers Pension Grant and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

4. OTHER TRADING ACTIVITIES

	31.8.21 £	31.8.20 £
Fundraising events	20,988	82,161
School trip income	130	4,878
Other income	33,590	90,958
Facilities and Services	<u>8,173</u>	<u>25,383</u>
	<u>62,881</u>	<u>203,380</u>

THE ABBEY SCHOOL (FAVERSHAM)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

5. INVESTMENT INCOME

	31.8.21	31.8.20
	£	£
Deposit account interest	<u>160</u>	<u>331</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	31.8.21	31.8.20
	Academy's sport centre operations £	Academy's educational operations £
Sports centre income	36,753	-
Grants	<u>-</u>	<u>7,806,469</u>
	<u>36,753</u>	<u>7,806,469</u>
	Total activities £	Total activities £
	36,753	89,612
	<u>7,806,469</u>	<u>7,093,215</u>
	<u>7,843,222</u>	<u>7,182,827</u>

Grants received, included in the above, are as follows:

	31.8.21	31.8.20
	£	£
General Annual Grant	6,280,253	5,611,905
Other DfE/ESFA Grants	197,199	155,890
Local authority grants	677,769	785,379
Pupil Premium	317,381	318,621
Teachers Pension Grant	227,197	221,420
Other DfE / ESFA COVID-19 Funding	20,990	-
Catch up premium	<u>85,680</u>	<u>-</u>
	<u>7,806,469</u>	<u>7,093,215</u>

7. EXPENDITURE

	31.8.21	31.8.20
	Non-pay expenditure	
	Staff costs £	Premises £
	Other costs £	Total £
	£	£
Raising funds		
Costs of fundraising		
Direct costs	-	24,095
	-	24,095
	24,095	38,000
Charitable activities		
Academy's educational operations		
Direct costs	5,433,756	1,131,840
Allocated support costs	<u>1,113,429</u>	<u>419,202</u>
	<u>6,547,185</u>	<u>1,575,137</u>
	6,547,185	9,100,995
	<u>9,100,995</u>	<u>8,145,931</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

7. EXPENDITURE - continued

Net income/(expenditure) is stated after charging/(crediting):

	31.8.21	31.8.20
	£	£
Depreciation - owned assets	456,012	444,659
Hire of plant and machinery	<u>75,407</u>	<u>23,156</u>

8. RAISING FUNDS

Costs of fundraising

	31.8.21	31.8.20
	£	£
Educational visits	1,275	27,510
Staff related activities	5,079	6,726
Pupil related activities	<u>17,741</u>	<u>3,764</u>
	<u>24,095</u>	<u>38,000</u>

9. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Direct costs	46,461	6,519,135	6,565,596	6,349,349
Support costs	<u>-</u>	<u>2,511,304</u>	<u>2,511,304</u>	<u>1,758,582</u>
	<u>46,461</u>	<u>9,030,439</u>	<u>9,076,900</u>	<u>8,107,931</u>

	31.8.21 Total £	31.8.20 Total £
Analysis of support costs		
Support staff costs	1,113,429	867,457
Depreciation	45,601	44,466
Technology costs	1,844	2,090
Premises costs	978,673	539,229
Other support costs	358,804	293,077
Governance costs	<u>12,953</u>	<u>12,263</u>
Total support costs	<u>2,511,304</u>	<u>1,758,582</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

10. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 11) £	Support costs (see note 12) £	Totals £
Academy's sport centre operations	-	36,478	36,478
Academy's educational operations	<u>6,565,596</u>	<u>2,511,304</u>	<u>9,076,900</u>
	<u>6,565,596</u>	<u>2,547,782</u>	<u>9,113,378</u>

11. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.8.21 £	31.8.20 £
Teaching and educational support staff	5,433,756	5,307,589
Technology costs	211,319	100,701
Educational supplies	107,586	122,101
Examination fees	97,227	103,327
Staff development	76,449	84,782
Educational consultancy	21,430	31,163
Other direct costs	207,417	199,493
Depreciation	<u>410,412</u>	<u>400,193</u>
	<u>6,565,596</u>	<u>6,349,349</u>

12. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Academy's sport centre operations	36,478	-	36,478
Academy's educational operations	<u>2,498,351</u>	<u>12,953</u>	<u>2,511,304</u>
	<u>2,534,829</u>	<u>12,953</u>	<u>2,547,782</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

12. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

Management

			31.8.21	31.8.20
	Academy's sport centre operations £	Academy's educational operations £	Total activities £	Total activities £
Wages	5,774	571,628	577,402	559,313
Social security	382	37,782	38,164	33,824
Pensions	960	504,019	504,979	358,835
Hire of plant and machinery	754	74,653	75,407	23,156
Technology costs	19	1,844	1,863	2,122
Recruitment and support	57	5,600	5,657	6,056
Maintenance of premises and equipment	24,442	721,956	746,398	348,521
Rent and rates	798	79,021	79,819	76,821
Energy costs	1,231	103,659	104,890	94,178
Insurance	402	39,822	40,224	40,139
Security and transport	173	17,092	17,265	2,527
Catering	-	89,854	89,854	89,585
Depreciation of tangible and heritage assets	-	45,601	45,601	44,466
Expected return on pension sch	-	(75,000)	(75,000)	(79,000)
Interest on pension scheme lia	-	135,000	135,000	134,000
Other costs	1,486	145,820	147,306	130,692
	<u>36,478</u>	<u>2,498,351</u>	<u>2,534,829</u>	<u>1,865,235</u>

Governance costs

	31.8.21	31.8.20
	Academy's educational operations £	Total activities £
Auditors' remuneration	<u>12,953</u>	<u>12,263</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

13. AUDITORS' REMUNERATION

	31.08.21	31.03.20
Auditors' remuneration		
- Audit of financial statements	6,835	6,640
- Auditors' remuneration - Non audit services	1,198	1,808
Accounts return	840	815
EOYC Audit	500	600
Internal Audit system checks	<u>3,580</u>	<u>2,400</u>
	<u>12,953</u>	<u>12,263</u>

The external auditors, McCabe Ford Williams, did not provide the service of Internal Scrutiny checks for the 2020/21 financial year, this service was provided by Baxter & Co.

14. TRUSTEES' REMUNERATION AND BENEFITS

The Headteacher and Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the academy in respect of their role as Trustees. The value of Trustees' remuneration was as follows:

Dr R Speller (Headteacher and trustee):

Remuneration £100,000 - £110,000 (2020: £95,000 - £100,000)

Employers Pension Contributions £20,000 - £25,000 (2020: £20,000 - £25,000)

Mr R Clarke (staff trustee) resigned 21.11.2019:

Remuneration £Nil (2020: £10,000 - £15,000)

Employers Pension Contributions £Nil (2020: £Nil - £5,000)

Mrs R Towler (staff trustee) resigned 14.07.2020:

Remuneration £Nil (2020: £Nil - £5,000)

Employers Pension Contributions £Nil (2020: £Nil - £5,000)

Mrs R Fletcher (staff trustee):

Remuneration £40,000 - £45,000 (2020: £25,000 - £30,000)

Employers Pension Contributions £10,000 - £15,000 (2020: £5,000 - £10,000)

Mrs L Temple (staff trustee) appointed 03/12/2020:

Remuneration £30,000 - £35,000 (2020: £Nil)

Employers Pension Contributions £5,000 - £10,000 (2020: £Nil)

During the year ended 31 August 2021, travel and subsistence expenses of £Nil were reimbursed to trustees (year ended 2020: trustees reimbursed £Nil)

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

THE ABBEY SCHOOL (FAVERSHAM)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

15. STAFF COSTS

	31.8.21	31.8.20
	£	£
Wages and salaries	4,661,783	4,532,139
Social security costs	420,957	412,049
Operating costs of defined benefit pension schemes	<u>1,397,129</u>	<u>1,215,832</u>
	6,479,869	6,160,020
Supply teacher costs	40,891	80,438
Compensation payments	<u>33,541</u>	<u>19,103</u>
	<u><u>6,554,301</u></u>	<u><u>6,259,561</u></u>

Non-statutory / non-contractual staff severance payments

Included in staff restructuring costs are 3 non-contractual severance payment totalling £33,541 (2020: £19,103). The individual amounts are £3,323, £10,300 and £19,918.

Staff numbers

The average number of persons (including senior management team) employed by the academy during the year expressed as head count and full time equivalents were as follows:

	31.08.21	31.08.21	31.08.20	31.08.20
	Head count	FTE	Head count	FTE
Charitable activities				
Teachers and educational support	135	113	122	109
Administration and support	40	29	53	27
Management	6	6	8	6
Sports centre staff	3	2	7	4
Totals	184	150	190	146

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

	31.8.21	31.8.20
£60,001 - £70,000	4	2
£80,001 - £90,000	-	1
£90,001 - £100,000	-	1
£100,001 - £110,000	<u>1</u>	<u>-</u>
	<u><u>5</u></u>	<u><u>4</u></u>

All of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2021, pension contributions for these staff amounted to £83,538 (2020: £71,994).

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

15. STAFF COSTS - continued

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 employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £619,828 (2020: £715,084)

16. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included Governance costs and totals £130 (2020: £130).

17. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fixed assets £	Restricted general funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	2,010	505,502	-	507,512
Charitable activities				
Funding for the academy's educational operations	-	-	7,093,215	7,093,215
Academy's sport centre operations	89,612	-	-	89,612
Other trading activities	36,560	-	166,820	203,380
Investment income	331	-	-	331
Total	128,513	505,502	7,260,035	7,894,050
EXPENDITURE ON				
Raising funds	6,726	-	31,274	38,000
Charitable activities				
Academy's educational operations	1,296	654,742	7,451,893	8,107,931
Academy's sport centre operations	118,916	-	-	118,916
Total	126,938	654,742	7,483,167	8,264,847
NET INCOME/(EXPENDITURE)	1,575	(149,240)	(223,132)	(370,797)
Transfers between funds	-	13,310	(13,310)	-

Other recognised gains/(losses)

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

17. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fixed assets £	Restricted general funds £	Total funds £
Actuarial gains/(losses) on defined benefit schemes	-	-	(429,000)	(429,000)
Net movement in funds	1,575	(135,930)	(665,442)	(799,797)

RECONCILIATION OF FUNDS

Total funds brought forward	249,324	13,121,940	(3,085,944)	10,285,320
TOTAL FUNDS CARRIED FORWARD	<u>250,899</u>	<u>12,986,010</u>	<u>(3,751,386)</u>	<u>9,485,523</u>

18. TANGIBLE FIXED ASSETS

	Leasehold property and land £	3G artificial pitch £	Long leasehold £	Totals £
COST				
At 1 September 2020	15,634,092	671,733	1,118,044	17,423,869
Additions	3,700,000	-	-	3,700,000
Disposals	(851,866)	-	-	(851,866)
At 31 August 2021	<u>18,482,226</u>	<u>671,733</u>	<u>1,118,044</u>	<u>20,272,003</u>
DEPRECIATION				
At 1 September 2020	4,088,171	268,700	283,238	4,640,109
Charge for year	377,704	33,587	44,721	456,012
Eliminated on disposal	(851,866)	-	-	(851,866)
At 31 August 2021	<u>3,614,009</u>	<u>302,287</u>	<u>327,959</u>	<u>4,244,255</u>
NET BOOK VALUE				
At 31 August 2021	<u>14,868,217</u>	<u>369,446</u>	<u>790,085</u>	<u>16,027,748</u>
At 31 August 2020	<u>11,545,921</u>	<u>403,033</u>	<u>834,806</u>	<u>12,783,760</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Trade debtors	19,928	48,866
Other debtors	-	7,560
VAT	94,418	71,911
Prepayments and accrued income	<u>510,693</u>	<u>437,952</u>
	<u>625,039</u>	<u>566,289</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Other loans (see note 22)	13,310	13,309
Trade creditors	1,013	2,366
Social security and other taxes	111,476	99,265
Other creditors	20,710	13,160
Accruals and deferred income	<u>132,638</u>	<u>64,827</u>
	<u>279,147</u>	<u>192,927</u>

DEFERRED INCOME

	31.8.21	31.8.20
	£	£
Deferred income at 1 September 2020	30,968	44,702
Resources deferred in the year	32,649	30,968
Amounts released from previous periods	(30,968)	(44,702)
Deferred income at 31 August 2021	32,649	30,968

£24,081 (2020: £24,518) is in respect of ESFA funding for rates received in advance, and £7,723 (2020: £6,292) relating to kits and clothing and £845 (2020: £158) of other income.

THE ABBEY SCHOOL (FAVERSHAM)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.21	31.8.20
	£	£
Other loans (see note 22)	<u>66,550</u>	<u>79,860</u>

22. LOANS

An analysis of the maturity of loans is given below:

	31.8.21	31.8.20
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>13,310</u>	<u>13,309</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>13,310</u>	<u>13,310</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>53,240</u>	<u>66,550</u>

A loan above which was originally for £106,480 from the Salix Energy Efficiency Fund has been brought forward. The interest free loan is repayable over 8 years in 16 bi-annual repayments.

23. MEMBERS' LIABILITY

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

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				31.8.21
	Unrestricted	Restricted	Restricted	
	fund	fixed	general	Total
	£	assets	funds	funds
		£	£	£
Fixed assets	-	16,027,748	-	16,027,748
Current assets	216,211	407,716	478,130	1,102,057
Current liabilities	(47)	(232,868)	(46,232)	(279,147)
Long term liabilities	-	(66,550)	-	(66,550)
Pension liability	-	-	(4,662,000)	(4,662,000)
	<u>216,164</u>	<u>16,136,046</u>	<u>(4,230,102)</u>	<u>12,122,108</u>

THE ABBEY SCHOOL (FAVERSHAM) |

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

				31.8.20
	Unrestricted fund £	Restricted fixed assets £	Restricted general funds £	Total funds £
Fixed assets	-	12,783,760	-	12,783,760
Current assets	137,238	364,030	370,282	871,550
Current liabilities	113,661	(81,920)	(224,668)	(192,927)
Long term liabilities	-	(79,860)	-	(79,860)
Pension liability	-	-	(3,897,000)	(3,897,000)
	<u>250,899</u>	<u>12,986,010</u>	<u>(3,751,386)</u>	<u>9,485,523</u>

25. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Restricted general funds				
General Annual Grant	61,476	290,730	(13,310)	338,896
School Voluntary Fund	84,138	8,864	-	93,002
Pension fund	(3,897,000)	(765,000)	-	(4,662,000)
Fixed asset funds	12,690,591	(414,738)	13,310	12,289,163
Funding from the EFA	255,419	(107,261)	-	148,158
Other Restricted Capital Grant	40,000	-	-	40,000
Donation of other assets	-	3,658,725	-	3,658,725
	<u>9,234,624</u>	<u>2,671,320</u>	<u>-</u>	<u>11,905,944</u>
Unrestricted fund				
General Fund	250,899	(34,735)	-	216,164
	<u>9,485,523</u>	<u>2,636,585</u>	<u>-</u>	<u>12,122,108</u>
TOTAL FUNDS				

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

25. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant	6,280,856	(6,014,424)	-	266,432
Other restricted grants	74,510	(74,510)	-	-
School Voluntary Fund	26,268	(17,404)	-	8,864
Education Funding Agency	197,199	(197,199)	-	-
Pupil Premium	317,381	(317,381)	-	-
Pension fund	-	(472,000)	(293,000)	(765,000)
Fixed asset funds	-	(414,738)	-	(414,738)
Funding from the EFA	392,014	(474,977)	-	(82,963)
Other Government	623,429	(623,429)	-	-
Donation of other assets	3,768,251	(109,526)	-	3,658,725
Teachers Pension Grant	227,197	(227,197)	-	-
Catch up premium	85,680	(85,680)	-	-
Other DfE / ESFA COVID-19 Funding	20,990	(20,990)	-	-
	<u>12,013,775</u>	<u>(9,049,455)</u>	<u>(293,000)</u>	<u>2,671,320</u>
Unrestricted fund				
General Fund	53,283	(88,018)	-	(34,735)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>12,067,058</u>	<u>(9,137,473)</u>	<u>(293,000)</u>	<u>2,636,585</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

25. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
Restricted general funds				
General Annual Grant	30,449	44,337	(13,310)	61,476
School Voluntary Fund	20,607	63,531	-	84,138
Pension fund	(3,137,000)	(760,000)	-	(3,897,000)
Fixed asset funds	13,121,940	(444,659)	13,310	12,690,591
Funding from the EFA	-	255,419	-	255,419
Other Restricted Capital Grant	-	40,000	-	40,000
	<u>10,035,996</u>	<u>(801,372)</u>	<u>-</u>	<u>9,234,624</u>
Unrestricted fund				
General Fund	249,324	1,575	-	250,899
	<u>249,324</u>	<u>1,575</u>	<u>-</u>	<u>250,899</u>
TOTAL FUNDS	<u>10,285,320</u>	<u>(799,797)</u>	<u>-</u>	<u>9,485,523</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

25. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant	5,657,830	(5,613,493)	-	44,337
Other restricted grants	55,773	(55,773)	-	-
School Voluntary Fund	94,805	(31,274)	-	63,531
Education Funding Agency	155,890	(155,890)	-	-
Pupil Premium	318,621	(318,621)	-	-
Pension fund	-	(331,000)	(429,000)	(760,000)
Fixed asset funds	-	(444,659)	-	(444,659)
Funding from the EFA	465,502	(210,083)	-	255,419
Other Government	755,696	(755,696)	-	-
Other Restricted Capital Grant	40,000	-	-	40,000
Teachers Pension Grant	221,420	(221,420)	-	-
	<u>7,765,537</u>	<u>(8,137,909)</u>	<u>(429,000)</u>	<u>(801,372)</u>
Unrestricted fund				
General Fund	128,513	(126,938)	-	1,575
	<u>128,513</u>	<u>(126,938)</u>	<u>-</u>	<u>1,575</u>
TOTAL FUNDS	<u>7,894,050</u>	<u>(8,264,847)</u>	<u>(429,000)</u>	<u>(799,797)</u>

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

General Annual Grant (GAG)

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 on 31 August 2021.

Other restricted general funds

Funding is provided by Government grants in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities. There was no fund balance carried forward as at 31 August 2021.

Restricted fixed asset funds

Funding is provided by way of Government grants or capital expenditure from the GAG in order to acquire specified fixed assets for use by the academy in achieving its educational objectives. A one-off transfer of buildings and other fixed assets previously in use by The Abbey School occurred upon conversion to an academy.

Unrestricted funds

Unrestricted funds can be used for any purpose at the discretion of the academy.

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

25. MOVEMENT IN FUNDS - continued

Transfers between funds

A transfer of £13,310 was made from GAG to the restricted fixed asset fund to cover the Salix loan repayments during the year.

School voluntary fund

The school voluntary fund has a carried forward balance of £93,002. This balance includes £1,044 for the sixth form prom, £64 for the year 11 prom, £59,386 for Erasmus Project, £8,059 for Duke of Edinburgh and £7,969 for Breakfast Club.

Designated funds

Funds of £175,000 remain designated to the 3G sports pitch maintenance, the Football Association has confirmed that where losses have been incurred as a result of COVID-19 these can be covered by the transfer from the sinking fund. Other designated funds include £13,400 Sports England, £12,074 Tuition Fund KS5, £10,097 Youth Sports Trust, £4020 KCC Library/RE equipment and for premises maintenance £26,821 Heating and £142,319 Roofs..

26. PENSION AND SIMILAR OBLIGATIONS

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 Kent County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 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 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 - continued
FOR THE YEAR ENDED 31 AUGUST 2021

26. PENSION AND SIMILAR OBLIGATIONS - 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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £706,010 (2020 - £694,913).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £361,000 (2020 - £316,000), of which employer's contributions totalled £280,000 (2020 - £245,000). and employees' contributions totalled £81,000 (2020 - £71,000). The agreed contribution rates for future years are 21 per cent for employers and 5.50 per cent for employees.

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

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

26. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Current service cost	689,000	519,000
Net interest from net defined benefit asset/liability	60,000	55,000
Past service cost	-	-
Administration expenses	<u>3,000</u>	<u>2,000</u>
	<u>752,000</u>	<u>576,000</u>
 Actual return on plan assets	 <u>72,000</u>	 <u>77,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening defined benefit obligation	8,475,000	7,261,000
Current service cost	689,000	519,000
Contributions by scheme participants	81,000	71,000
Interest cost	135,000	134,000
Benefits paid	(101,000)	(57,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(107,000)	(199,000)
Actuarial (gains)/losses from changes in financial assumptions	1,157,000	591,000
Oblig other remeasurement	<u>(157,000)</u>	<u>155,000</u>
	<u>10,172,000</u>	<u>8,475,000</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

26. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening fair value of scheme assets	4,578,000	4,124,000
Contributions by employer	280,000	245,000
Contributions by scheme participants	81,000	71,000
Expected return	75,000	79,000
Actuarial gains/(losses)	(3,000)	(2,000)
Benefits paid	(101,000)	(57,000)
Remeasurements:		
Return on plan assets (excluding interest income)	600,000	238,000
Assets other remeasurement	-	(120,000)
	<u>5,510,000</u>	<u>4,578,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	107,000	199,000
Actuarial (gains)/losses from changes in financial assumptions	(1,157,000)	(591,000)
Oblig other remeasurement	157,000	(155,000)
Return on plan assets (excluding interest income)	600,000	238,000
Assets other remeasurement	-	(120,000)
	<u>(293,000)</u>	<u>(429,000)</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

26. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Equities	3,607,000	2,965,000
Gilts	31,000	31,000
Other Bonds	765,000	591,000
Property	566,000	503,000
Cash	158,000	139,000
Absolute return fund	383,000	349,000
	<u>5,510,000</u>	<u>4,578,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.21	31.8.20
Discount rate	1.65%	1.60%
Future salary increases	3.90%	3.30%
Future pension increases	2.90%	2.30%
Price Increases	2.90%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

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

Retiring today		
Males	21.6	21.8
Females	23.6	23.8
Retiring in 20 years		
Males	22.9	23.2
Females	25.1	25.2

Sensitivity analysis

	31.8.21	31.8.20
	£	£
Discount rate +0.1%	9,940,000	8,282,000
Discount rate -0.1%	10,409,000	8,673,000
Mortality assumption - 1 year increase	10,583,000	8,793,000
Mortality assumption - 1 year decrease	9,777,000	8,169,000
CPI rate +0.1%	10,191,000	8,492,000
CPI rate -0.1%	10,153,000	8,458,000

The sensitivities regarding the principal assumptions used to measure the scheme liabilities, as provided by the actuary, are set out below:

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

26. PENSION AND SIMILAR OBLIGATIONS - continued

	Increase in obligation at 31 August 2021	Increase in obligation at 31 August 2020
	£	£
0.1% decrease in real discount rate	237,000	198,000
1 year increase in member life expectancy	411,000	318,000
0.1% increase in salary increase rate	19,000	17,000
0.1% increase in pension increase rate	216,000	180,000

27. CAPITAL COMMITMENTS

	31.8.21 £	31.8.20 £
Contracted but not provided for in the financial statements	<u>155,545</u>	<u>283,640</u>

The capital commitments are in relation to roof works.

28. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.21 £	31.8.20 £
Within one year	83,125	31,169
Between one and five years	<u>128,963</u>	<u>54,299</u>
	<u>212,088</u>	<u>85,468</u>

The land and buildings are leased for one peppercorn per annum.

29. RELATED PARTY DISCLOSURES

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. The following related party transactions took place in the financial period.

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

29. RELATED PARTY DISCLOSURES - continued

During the prior year, the academy replaced some IT Equipment due to increasing capability issues and the age of the old machines, being Apple iMacs. These machines were replaced by Windows machines. It was recommended by the School IT Network Manager that these iMacs should be offered to the staff at the academy before being sold online.

These Apple machines were valued at resale cost of £380, but sold to staff for £250 each as it was felt that due to the excessive use of the machines they were not worth the resale cost.

As well as these transactions, another transaction with staff was the sale of a further older PC which had been replaced following the purchase of IT Equipment. It was opted to sell the old PC for £100 over scrapping the machine.

Included in the accounts is £600 (2020: £1,768) for the sale of these computers to staff.

Total related party transactions during the year totalled £600 (2020: £1,928).

30. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. At the beginning of the accounting period there were Bursary funds brought forward of £13,160. The Academy also received a further £23,198 during the year. Disbursements during the year amounted to £15,649 which included admin fees of £1,160. An amount of £20,709 is included in other creditors relating to undistributed funds that are repayable to ESFA.