

REGISTERED COMPANY NUMBER: 07697086 (England and Wales)

TRUSTEES' REPORT AND

FINANCIAL STATEMENTS

FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

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 PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

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THE ABBEY SCHOOL (FAVERSHAM)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

MEMBERS:

M Hewett
A Furedi
DC Corcoran
C E Clarkstone

TRUSTEES

T J Martin
M F Rehal
S L Keeling
R H Speller
D L Shemoun
N R Levitt
L J Brooman
D Brodkorb
S L Best
K J Harper (resigned 5.12.22)
G Johnson
C J Roche
P King (appointed 5.12.22)

SENIOR MANAGEMENT TEAM:

N Kamara (Designated Safeguarding Lead)
A Le Brunn Healey (Assistant Headteacher (Acting))
P Stucken (Assistant Headteacher)
J Lucas (Deputy Headteacher)
S Finlan (Deputy Headteacher)
S Spring (Assistant Headteacher)
K Dickens (Director of Resources)
R H Speller (Headteacher) (Accounting Officer)

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

BANKERS

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

THE ABBEY SCHOOL (FAVERSHAM)

TRUSTEES' REPORT **FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023**

The Trustees present their report for the period together with the financial statements and auditor's report of the charitable company for the year 1 September 2022 to 31 March 2023. The reporting period is less than 12 months as the school transferred to The Howard Academy Trust on the 1 April 2023, as a result the comparative amounts presented in the accounts (including the related notes) are not entirely comparable and the charitable company has the legal authority to change its reporting period. The report for the period 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 (2022: 1,226) and had a roll of 1,138 (2022: 1,192) in the school census in October 2022.

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 fulfil their potential.
- To further develop the use of ICT in school 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 PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023**

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

In spite of our record results in summer 2022, the Department for Education decided to place the school in a multi academy trust to support ongoing improvement over time. The Abbey School became part of The Howard Academy Trust (THAT) on 1st April 2023. As part of this switch-over there was an introductory staff training day where the school was closed to students and everybody was trained in the new systems and processes. This has included the finance and HR function of the school being relocated to Medway.

This financial period there have continued to be both internal and external checks of the quality of provision, as one would expect normally for a secondary provision. Amongst the noteworthy external checks have been:

- a full review of all safeguarding systems and practices by The Education People
- two school improvement visits by a consultant (ex-Ofsted Lead HMI)
- multiple school governor monitoring visits reviewing the impact in necessary areas of improvement

All of the above suggest strongly that the school is no longer inadequate. Although OFSTED would need to revisit to confirm this.

The structure of governance in the school is changing. The system of school-focussed trustees and members that existed under the single academy trust is being replaced by a Local Academy Board (LAB) that has reduced decision making powers and sits beneath trust-wide trustees and members. The specific responsibilities and duties of the new LAB are explained in THAT's Scheme of Delegation which is shared with all their schools.

Under the new LAB arrangements, the school will be able to have staff governors on its board. These previously were not recommended under the DfE's revised expectations for boards of trustees. However, since the members of our LAB are not going to be trustees, it will enable better staff representation on the board.

TRUSTEES' REPORT
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

STRATEGIC REPORT

Achievement and performance

Quality of Teaching, Learning and Assessment

The quality of education in our school remains at a good level, despite the extreme turbulence in the last 12 months. It's worth noting that, in addition to the Ofsted judgement, which invited national criticism (both of the school and the inspectorate), the situation nationally for all schools has been challenging. Continued national strikes over the issue of teacher pay, worsening recruitment and concerns by teachers about the impact of the pandemic have all played a role in putting teachers off entering (or remaining in) the profession.

The central challenge is getting consistently strong subject professionals in front of children. We have seen a number of teachers leave mid-career for roles in other sectors with far less pay and responsibility. In their exit interviews they have frequently commented that they felt let down by the inspectorate and felt that parental criticism of the way that they supported children as professionals was unreasonable. Presently, the school has eleven teaching vacancies, compared with zero prior to inspection.

Predictions for exam results for Summer 2023, perhaps unsurprisingly, show a fall from the record GCSE and A-Level outcomes recorded in summer 2022. Largely this drop is attributable to the loss of good staff and an increasing reliance on agencies to fill day-to-day gaps in the staffing timetable. THAT has been working hard to advertise teaching roles in the school and heavily market these opportunities using revised application packs alongside attractive recruitment and retention allowances. In the coming weeks, THAT are going to be holding recruitment events at different locations across the UK to attract colleagues into the profession in their schools. These are all positive developments against a clearly difficult backdrop.

Personal Development, Behaviour and Welfare & SMSC

There has been the appointment of a new member of staff to lead on the PSHE and SMSC aspects of school improvement. This colleague has led on these aspects in another local school, and therefore comes with a pedigree of performance. In the coming months the curriculum will be updated and there will be increased focus on mapping all of the facets of personal development across the various subject curricula in our school.

Work has been undertaken to promote mental health and the wellbeing of students. Perhaps the most significant aspect of this has been the implementation of the STEER project. This aims to support students developing healthy thinking patterns around the various problems that they experience in their lives, as well as signposting to staff when additional support is needed from professionals. The introduction of this has generally been received well by the students that have used it, and it now awaits roll-out across the remaining year groups.

Behaviour in the school is much more challenging than pre-Ofsted. Children are more defiant to senior staff, and there is pressure not to suspend students, given that this is a key inspection metric. THAT has encouraged the school to review some of its behaviour systems. This has included removing elements of STAR behaviour and changing some of the lunchtime systems for canteen entry. In addition, school leaders have begun to permit students to come to school in their PE kit on the days that they are doing sports. This has been very well received by all; it has enabled more lesson time in PE for activities.

It is worth highlighting that there has been no re-visit of the school by inspectors despite the previous Ofsted outcome and being told, at the time, that there would be a quick follow-up monitoring visit.

THE ABBEY SCHOOL (FAVERSHAM)

TRUSTEES' REPORT **FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023**

STRATEGIC REPORT

Achievement and performance

Raising Standards

The improvement in exam outcomes at both GCSE and A Level since 2019 is undeniable. Internal performance data for GCSE exams in 2022 includes GCSE English Literature which is not included in the published DfE data due to this being an early entry.

56 students left the school in summer 2022 with at least a Grade 5 in both English and Mathematics; over three times the number reaching this measure five years earlier (i.e. 17) when the school had previously been inspected as 'good' overall. EBacc average point score was over a quarter of a grade better per qualification than 2019. Similarly Attainment 8 was 2 grades better overall than pre-Covid performance (or a fifth of a grade better per qualification). Outcomes in nearly every Key Stage 4 subject increased significantly.

At A Level, the A*-C pass rate increased from 40.6% (2019) to 69.7% (2022), an impressive 29.1% improvement. The average grade achieved per qualification was 1.5 grades better than the 2019 pre-Covid level. When the data for A Levels is compared with the year of the previous Ofsted inspection (2017) it is noteworthy that at that point there were zero A or A* grades awarded, despite the sixth form being judged as 'good'. Yet today there are a number of examples of students reaching this high level of achievement.

Within the Applied General qualifications, the pass rate increased from 41.6% (2019) to 57.6% (2022), with an improvement of 0.7 grade per qualification. The overall sixth form data is hugely satisfying for the school community and a huge vindication of the journey that the school has been on.

Key Performance Indicators

The academy had 1,192 students on roll during the 2021/2022 year.

Key Stage 4

Attainment 8 was 39.28 (Average Grade 4) - 37.3 in 2019

48% achieved at least 5 grades 9-4 including English and Mathematics - 43% in 2019

26% achieved a strong pass in English and Mathematics - 25% in 2019

55% achieved a standard pass in English and Mathematics - 50% in 2019

12% achieved the English Baccalaureate - 11% in 2019

Key Stage 5

69% achieved grades A*-C - 40% in 2019

12% achieved grades A*-A - 0.68 in 2019

Academic Average Points Score 29.29 - 17.72 in 2019

Applied General Average Points Score 31.31 - 25.69 in 2019

Results are compared with 2019 as this was the last set of public examinations before Covid-19

THE ABBEY SCHOOL (FAVERSHAM)

TRUSTEES' REPORT **FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023**

STRATEGIC REPORT

Financial review

Financial Position

The academy's accounting period covers a seven-month trading period from 31 August 2022 to 31 March 2023. 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 March 2023 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 2019), 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 period under review, total expenditure of £5,217,422 (2022: £9,451,787) 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 £415,128 (2022: £331,058).

At 31 March 2023 the net book value of fixed assets was £15,206,538(2022: £15,509,089) and movements in tangible fixed assets are shown in note 18 to the financial statements.

Key Financial Performance Indicators:

	31.3.23	31.8.22
Educational wages per pupil enrolled	£4,772	£4,738
Total wages ex sports centre as a percentage of GAG funding	96%	101%
Total wages ex sports centre as a percentage of total revenue grants	68%	75%

Key financial performance indicators have been grossed up to a 12 month period to be comparable with prior year.

Going Concern

After making appropriate enquires, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resource's to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statement. On 1 April 2023, The Abbey School joined an existing Multi-Academy Trust. The operations of the Academy will continue uninterrupted. The Trustees of The Abbey School (Faversham) will then seek to wind up the company at a later date but no decision with regard to this has been made to date.

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.

TRUSTEES' REPORT
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

STRATEGIC REPORT

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 Annual GAG or £183,417. The academy currently has free reserves of £54,445 (2022: £33,494) after accounting for £214,583 (2022: £200,000) which has been designated for the 3G pitch sinking fund. The restricted general funds are £1,105,255 (2022: £732,316) (before accounting for the pension liability). Restricted general funds, excluding the pension reserve plus unrestricted funds were £1,374,283 at the period-end (2022: £965,810). The trust continues to work towards its target level of reserves

Restricted funds (excluding restricted fixed asset funds) at 31 March 2023 show a surplus of £401,552 (2022: deficit £313,272) this is after accounting for the deficit on the local government pension scheme. The deficit on the scheme as at 31 March 2023 was £368,000 (2022: £591,000). 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.

Total funds at 31 March 2023 are £16,302,175 (2022: £15,857,349).

TRUSTEES' REPORT
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

STRATEGIC REPORT

Financial review

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.

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.

Principal Risks in relation to Site Safety (ensuring the estate is well maintained and complies with relevant regulations)

In this period, Trustees have undertaken two site visits that encompass the whole academy estate. Reports are made to all Trustees at Resources and Full Governing Body Meetings. Trustees considered the safety and security of the site and commissioned a tender process, before overseeing the installation of a fence line along the south elevation of the academy. This has provided a safe boundary between the academy and the newly built housing estate, preventing visitors from gaining unauthorised access to the estate and ensuring the safety of students.

Trustees have overseen the installation of a welcome building which has enabled the academy to provide additional security ensuring unauthorised visitors cannot gain access to the site and students cannot leave the site without the required permission. Trustees are working with Kent County Council to improve student access to the site by way of a new footpath, as an extension to the work the County Council has done in widening the main A2 road at the front of the school. This will improve the safety of all students walking to school.

Trustees continued to oversee and approve expenditure for the three year Premises Improvement Plan which has greatly improved classroom environments across the academy. Unsafe carpets have been replaced and asbestos tiles removed, outdated furniture has been upgraded and rooms decorated to improve the physical environment and enhance the learning experience for the students. Most areas of the academy have now been refreshed. Science remains a priority.

Fundraising

The Academy does not engage with professional fund raisers, various fund raising events have occurred during the year.

THE ABBEY SCHOOL (FAVERSHAM)

TRUSTEES' REPORT **FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023**

STRATEGIC REPORT

Plans for Future Periods

ACADEMY IMPROVEMENT PRIORITIES 2022/2023

The Academy transferred to The Howard Academy Trust on 1 April 2023. It has 10 main priorities.

1. Review and improve safeguarding practices and procedures
2. Improve of the monitoring and evaluation of PSHE to ensure quality and consistency of delivery
3. Improve the focus on the Personal Development curriculum, including Protected Characteristics.
4. Improve attendance, recovering to pre-Covid levels
5. Continue evaluate the curriculum to increase Ebacc uptake
6. Increase the retention of students from KS4 into KS5
7. Improve the focus on student safety and welfare across the academy's estate
8. Improve the behaviour of students in unstructured time
9. Review and develop the student rewards system
10. Improve the quality and frequency of governor monitoring visits

Sixth Form Targets

To maintain the improved attainment in academic and vocational subjects from Summer 2022

The A*-C pass rates in both to be sustained and improved upon.

Year 11 Targets

Progress 8 score above -0.10

More than 30% obtaining a good pass in English and Mathematics

To close the gap for disadvantaged pupils to -0.1 for Progress 8

Attendance Target

To recover to the level pre Covid-19 or at least meeting the national average for secondary schools for the 2023/24 academic year

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 period 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.

THE ABBEY SCHOOL (FAVERSHAM)

TRUSTEES' REPORT
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

TRUSTEES' REPORT
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

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 has been appointed to act as a trustee by the Members of the Trust.

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.

TRUSTEES' REPORT
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

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 period ended 31 March 2023.

THE ABBEY SCHOOL (FAVERSHAM)

TRUSTEES' REPORT FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
Nil	141

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	3,858,231

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

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

Paid trade union activities

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

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

Related Parties and Other Connected Charities and Organisations

The school has collaborated with the Howard and Aquilla Academy Trusts to share expertise and experience.

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements. The Abbey school transferred into an existing Academy Trust, The Howard Academy Trust as at 1 April 2023

FUNDS HELD AS CUSTODIAN FOR OTHERS

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

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.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 6 July 2023 and signed on the board's behalf by:



T J Martin - Trustee

THE ABBEY SCHOOL (FAVERSHAM)

GOVERNANCE STATEMENT
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

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 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.

THE ABBEY SCHOOL (FAVERSHAM)

GOVERNANCE STATEMENT FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

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 3 times during the period. Attendance during the period 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 3 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)	3	3
Dr R H Speller	3	3
Mrs M F Rehal	3	3
Mrs S L Keeling	3	3
Mr D L Shemoon	3	3
Mr N R Levitt	3	3
Ms L J Brooman	3	3
Mrs D Brodkorb	3	3
Mrs S Best	3	3
Mrs C Roche	3	3
Mrs G Johnson	3	3
Mr K Harper (resigned 05.12.22)	1	1
Mr P King (appointed 05.12.22)	1	1

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.

The Trustees are aware of the ESFA's guidance in relation to related party transactions and conflicts of interest. This is evidenced by the Trustees and senior leadership team completing declaration of interest forms annually and notifying the company secretary of any changes during the year. At meetings, declarations are made before the commencement of the agenda for any new related parties which should be identified. The trust also has a robust procurement system in place over purchasing, with the use of supplier lists and segregation of duties to prevent management override and potential related party transactions occurring without disclosure internally and to the ESFA.

During the period the Board of Governors reviewed the following:

- The Statutory Accounts to 31 August 2022
- The 3 Year Forecast to August 2025
- Pension deficit
- Statutory Policies
- The Risk Register
- The Termly 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 £10,000
- Enrichment Activities for Students for approval
- Safety, Security, Compliance and Refurbishment of the school estate

THE ABBEY SCHOOL (FAVERSHAM)

GOVERNANCE STATEMENT **FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023**

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.

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
Ms L Brooman (Chair of Resources)	3	3
Dr R H Speller	1	3
Mr N Levitt (Chair of Audit)	3	3
Mr D Shemoun	0	3
Mr G A Johnson	3	3
Mr T J Martin	1	3

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 three 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 catering and energy.
- 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. The board has sought to recruit more parents to achieve the correct balance of parent and community trustees. 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 July 2023.

THE ABBEY SCHOOL (FAVERSHAM)

GOVERNANCE STATEMENT **FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023**

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. Information has been presented on Teams in advance and all discussion and decisions taken have been minuted by the clerk as usual. Meetings are now held at the Academy, but Trustees can attend meetings virtually if this is more convenient for them.

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 period, with the following activities as examples:

- Trustees considered tenders from three fencing installation companies to ensure safety and security of the academy's site, following visits from a number of unauthorised people and students exiting the site without permission. A fence was installed along the south elevation of the school thus improving the safety of students.
- Trustees considered quotations for the replacement of five photocopiers. A comprehensive cost benefit analysis was undertaken to cover a five year period in comparing the options of leasing or purchasing and print costs against upfront costs. Trustees went for the option of purchasing higher cost machines which had a lower per-page print cost. This ensured value for money as well as a higher quality of service of better quality machines.
- Trustees received three quotations for the replacement of floodlight bulbs for the 3G pitch to facilitate the move from halogen to LED. This was as a result of the Government's additional grant to assist in the reduction of energy costs. The reduced energy draw on the circuit board will stop the power outages that happen in the winter months when the floodlights are on at the same time as the heaters in the gymnasium. This is an effective way of reducing energy as well as removing the need to upgrade an expensive circuit board.

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 1 September 2022 to 31 March 2023 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 1 September 2022 to 31 March 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE ABBEY SCHOOL (FAVERSHAM)

GOVERNANCE STATEMENT **FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023**

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, including the Academy's estate, ensuring it is safe, secure, well maintained and complies with relevant regulations

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;
- completeness of other income;
- conflicts of interest;

Once during the period under review, 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 PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

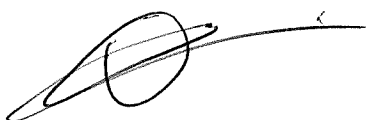
Review of Effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period 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 6 July 2023 and signed on its behalf by:



T J Martin - Trustee



R H Speller - Accounting Officer

THE ABBEY SCHOOL (FAVERSHAM)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

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 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 Academy Trust Handbook 2022.

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

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


.....
R H Speller - Accounting Officer

Date: 6 July 2023

THE ABBEY SCHOOL (FAVERSHAM)

TRUSTEES' RESPONSIBILITY STATEMENT FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

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 Report of the Trustees 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 2022 to 2023;
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 6 July 2023 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 period ended 31 March 2023 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 2022 to 2023 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 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 2022 to 2023.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Emphasis of matter: Cessation of Operations

The operations and activities and the assets and liabilities of The Abbey School (Faversham) were transferred on 1 April 2023 into The Howard Academy Trust (company number 09175427 registered in England and Wales), for £nil consideration.

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.

**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 Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 {strategic report.} and the Trustees' Report.

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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 16, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**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.

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 and Academy trust handbook;
- 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 where relevant

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 Trustees 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

Date: 6 July 2023

**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 2022 to 2023, 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 2022 to 31 March 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 March 2023 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 2022 to 2023 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 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 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 Academy trust 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 ended 31 March 2023 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

Date: 6 July 2023

THE ABBEY SCHOOL (FAVERSHAM)

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023**

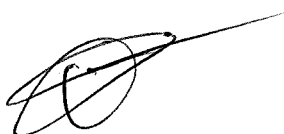
				Period 1.9.22 to 31.3.23	Year Ended 31.8.22
	Notes	Unrestricted fund £	Restricted Fixed Asset funds £	Restricted general funds £	Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and capital grants	2	-	46,344	-	46,344
Charitable activities	6				
Funding for the academy's educational operations	3	-	-	5,182,013	5,182,013
Academy's sport centre operations		88,287	-	-	88,287
Other trading activities	4	13,544	-	14,830	28,374
Investment income	5	106	-	-	106
Total		<u>101,937</u>	<u>46,344</u>	<u>5,196,843</u>	<u>5,345,124</u>
EXPENDITURE ON					
Raising funds	8	5,556	-	24,633	30,189
Charitable activities					
Academy's educational operations	9	-	298,574	4,770,688	5,069,262
Academy's sport centre operations		60,847	-	-	60,847
Total		<u>66,403</u>	<u>298,574</u>	<u>4,795,321</u>	<u>5,160,298</u>
NET INCOME/(EXPENDITURE)		35,534	(252,230)	401,522	184,826
Transfers between funds	25	-	65,583	(65,583)	-
Other recognise gains/(losses)					
Actuarial gains on defined benefit schemes		-	-	260,000	260,000
Net movement in funds		35,534	(186,647)	595,939	444,826
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>233,494</u>	<u>15,482,539</u>	<u>141,316</u>	<u>15,857,349</u>
TOTAL FUNDS CARRIED FORWARD		<u>269,028</u>	<u>15,295,892</u>	<u>737,255</u>	<u>16,302,175</u>

The notes form part of these financial statements

THE ABBEY SCHOOL (FAVERSHAM) (REGISTERED NUMBER: 07697086)

		<u>BALANCE SHEET</u>	
		<u>31 MARCH 2023</u>	
	Notes	31.3.23 £	31.8.22 £
FIXED ASSETS			
Tangible assets	18	15,263,662	15,509,089
CURRENT ASSETS			
Debtors	19	363,199	200,431
Cash at bank		<u>1,404,482</u>	<u>1,199,144</u>
		1,767,681	1,399,575
CREDITORS			
Amounts falling due within one year	20	(314,583)	(407,075)
		<u>1,453,098</u>	<u>992,500</u>
NET CURRENT ASSETS			
		16,716,760	16,501,589
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	21	(46,585)	(53,240)
PENSION LIABILITY	26	<u>(368,000)</u>	<u>(591,000)</u>
NET ASSETS		<u>16,302,175</u>	<u>15,857,349</u>
FUNDS	25		
Restricted funds:			
Fixed asset fund		15,295,892	15,482,539
Restricted income fund		1,105,255	732,316
Pension reserve		<u>(368,000)</u>	<u>(591,000)</u>
		<u>16,033,147</u>	<u>15,623,855</u>
Unrestricted funds:			
Unrestricted income fund		<u>269,028</u>	<u>233,494</u>
TOTAL FUNDS		<u>16,302,175</u>	<u>15,857,349</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 6 July 2023 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 PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

	Notes	Period 1.9.22 to 31.3.23 £	Year Ended 31.8.22 £
Cash flows from operating activities			
Cash generated from operations	1	<u>224,471</u>	<u>710,932</u>
Net cash provided by operating activities		<u>224,471</u>	<u>710,932</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(58,928)	-
Capital grants from DfE/EFA		46,344	24,382
Interest received		<u>106</u>	<u>122</u>
Net cash (used in)/provided by investing activities		<u>(12,478)</u>	<u>24,504</u>
Cash flows from financing activities			
Loan repayments in year		<u>(6,655)</u>	<u>(13,310)</u>
Net cash used in financing activities		<u>(6,655)</u>	<u>(13,310)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		205,338	722,126
Cash and cash equivalents at the beginning of the reporting period		<u>1,199,144</u>	<u>477,018</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,404,482</u></u>	<u><u>1,199,144</u></u>

The notes form part of these financial statements

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

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

	Period 1.9.22 to 31.3.23 £	Year Ended 31.8.22 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	184,826	(962,759)
Adjustments for:		
Depreciation charges	304,355	518,659
Capital grants from DfE/ESFA	(46,344)	(24,382)
Interest received	(106)	(122)
Defined benefit pension scheme finance	12,000	74,000
Defined benefit pension scheme admin	2,000	3,000
(Increase)/decrease in debtors	(162,768)	424,608
(Decrease)/increase in creditors	(92,492)	127,928
Difference between pension charge and cash contributions	<u>23,000</u>	<u>550,000</u>
Net cash provided by operations	<u>224,471</u>	<u>710,932</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	<u>1,199,144</u>	<u>205,338</u>	<u>1,404,482</u>
	<u>1,199,144</u>	<u>205,338</u>	<u>1,404,482</u>
Debt			
Debts falling due within 1 year	(13,310)	-	(13,310)
Debts falling due after 1 year	<u>(53,240)</u>	<u>6,655</u>	<u>(46,585)</u>
	<u>(66,550)</u>	<u>6,655</u>	<u>(59,895)</u>
Total	<u>1,132,594</u>	<u>211,993</u>	<u>1,344,587</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

1. ACCOUNTING POLICIES

Statutory information

The Abbey school (Faversham) is a private company, limited by shares, Registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements in the Pound Sterling (£)

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 2022 to 2023 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. The Comparatives are for a full 12 months. The period under review is 7 Months and so comparatives may not be directly comparable

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 authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. The Abbey School joined an existing Multi-Academy Trust on 1 April 2023. The operations of the academy would continue uninterrupted. For this reason they continue to adopt the going concern basis of accounting in preparing the financial statements. The trustees will take the decision once the transfer has been completed to wind up the company. No decision with regards to winding up has made to date.

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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

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.

-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

Assets costing £5,000 or more are capitalised as Tangible fixed assets and are carried at cost, net of depreciation and provision for impairment. 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
Computer equipment	- straight line over 5 years

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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 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

	Period 1.9.22 to 31.3.23 £	Year Ended 31.8.22 £
Other donations	-	6,440
Capital Grants	<u>46,344</u>	<u>24,382</u>
	<u>46,344</u>	<u>30,822</u>

THE ABBEY SCHOOL (FAVERSHAM)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023****2. DONATIONS AND CAPITAL GRANTS - continued**

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

	Period 1.9.22 to 31.3.23 £	Year Ended 31.8.22 £
ESFA Capital	<u>46,344</u>	<u>24,382</u>

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Period 1.9.22 to 31.3.23 Total funds £	Year Ended 31.8.22 Total funds £
DfE/ESFA grants				
General Annual Grant	-	3,803,337	3,803,337	6,095,889
Other DfE/ESFA Grants	-	238,440	238,440	265,753
Pupil Premium	-	214,389	214,389	340,561
Teachers Pension Grant	-	15,036	15,036	27,746
Academies Prog. Funding	-	<u>377,838</u>	<u>377,838</u>	<u>657,977</u>
	-	<u>4,649,040</u>	<u>4,649,040</u>	<u>7,387,926</u>
Other Government grant				
Local authority grants	-	<u>532,573</u>	<u>532,573</u>	<u>921,156</u>
Other income from the academy trust's educational operations				
	-	<u>400</u>	<u>400</u>	-
	-	<u>5,182,013</u>	<u>5,182,013</u>	<u>8,309,082</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

4. OTHER TRADING ACTIVITIES

	Period 1.9.22 to 31.3.23 £	Year Ended 31.8.22 £
Fundraising events	907	1,722
School trip income	9,135	5,208
Other income	10,769	19,069
Facilities and Services	<u>7,563</u>	<u>11,180</u>
	<u>28,374</u>	<u>37,179</u>

5. INVESTMENT INCOME

	Period 1.9.22 to 31.3.23 £	Year Ended 31.8.22 £
Deposit account interest	<u>106</u>	<u>122</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Academy's sport centre operations £	Academy's educational operations £	Period 1.9.22 to 31.3.23 £	Year Ended 31.8.22 £
Sports centre income	88,287	-	88,287	111,823
Grants	<u>-</u>	<u>5,182,013</u>	<u>5,182,013</u>	<u>8,309,082</u>
	<u>88,287</u>	<u>5,182,013</u>	<u>5,270,300</u>	<u>8,420,905</u>

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

	Period 1.9.22 to 31.3.23 £	Year Ended 31.8.22 £
General Annual Grant	3,803,337	6,095,889
Other grants	400	-
Other DfE/ESFA Grants	<u>238,440</u>	<u>265,753</u>
Carried forward	4,042,177	6,361,642

THE ABBEY SCHOOL (FAVERSHAM)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023****6. INCOME FROM CHARITABLE ACTIVITIES - continued**

	Period 1.9.22 to 31.3.23 £	Year Ended 31.8.22 £
Brought forward	4,042,177	6,361,642
Local authority grants	532,573	921,156
Pupil Premium	214,389	340,561
Teachers Pension Grant	15,036	27,746
Academies Prog. Funding	<u>377,838</u>	<u>657,977</u>
	<u>5,182,013</u>	<u>8,309,082</u>

7. EXPENDITURE

	Non-pay expenditure			Period 1.9.22 to 31.3.23	Year Ended 31.8.22
	Staff costs £	Premises £	Other costs £	Total £	Total £
Raising funds					
Costs of fundraising					
Direct costs	-	-	28,657	28,657	55,378
Allocated support costs	-	-	1,350	1,350	-
Costs incurred by trading for a fundraising purpose					
Direct costs	-	-	182	182	-
Charitable activities					
Academy's educational operations					
Direct costs	3,364,634	-	686,447	4,051,081	6,793,506
Allocated support costs	<u>477,021</u>	<u>285,870</u>	<u>255,290</u>	<u>1,018,181</u>	<u>2,496,828</u>
	<u>3,841,655</u>	<u>285,870</u>	<u>971,926</u>	<u>5,099,451</u>	<u>9,345,712</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

7. EXPENDITURE - continued

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

	Period 1.9.22 to 31.3.23 £	Year Ended 31.8.22 £
Depreciation - owned assets	304,355	518,659
Hire of plant and machinery	<u>43,987</u>	<u>75,407</u>

8. RAISING FUNDS

Costs of fundraising

	Period 1.9.22 to 31.3.23 £	Year Ended 31.8.22 £
Educational visits	13,142	13,342
Staff related activities	5,556	8,059
Pupil related activities	9,959	33,977
Support costs	<u>1,350</u>	<u>-</u>
	<u>30,007</u>	<u>55,378</u>

Costs incurred by trading for a fundraising purpose

	Period 1.9.22 to 31.3.23 £	Year Ended 31.8.22 £
Bad debts	<u>182</u>	<u>-</u>
Aggregate amounts	<u>30,189</u>	<u>55,378</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

9. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Period 1.9.22 to 31.3.23 Total funds £	Year Ended 31.8.22 Total funds £
Direct costs	-	4,051,081	4,051,081	6,793,506
Support costs	-	1,018,181	1,018,181	2,496,828
	<u>-</u>	<u>5,069,262</u>	<u>5,069,262</u>	<u>9,290,334</u>

	Period 1.9.22 to 31.3.23 Total £	Year Ended 31.8.22 Total £
Analysis of support costs		
Support staff costs	477,021	1,333,911
Depreciation	30,436	51,866
Technology costs	1,539	2,591
Premises costs	285,870	654,681
Other support costs	211,264	440,066
Governance costs	<u>12,051</u>	<u>13,713</u>
Total support costs	<u>1,018,181</u>	<u>2,496,828</u>

10. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 11) £	Support costs (see note 12) £	Totals £
Academy's sport centre operations	25,341	35,506	60,847
Academy's educational operations	<u>4,051,081</u>	<u>1,018,181</u>	<u>5,069,262</u>
	<u>4,076,422</u>	<u>1,053,687</u>	<u>5,130,109</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

11. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Period 1.9.22 to 31.3.23 £	Year Ended 31.8.22 £
Teaching and educational support staff	3,389,975	5,647,241
Technology costs	67,545	146,758
Educational supplies	83,126	156,279
Examination fees	39,489	93,177
Staff development	67,263	80,159
Educational consultancy	6,540	21,139
Other direct costs	148,565	221,094
Depreciation	273,919	466,793
	<u>4,076,422</u>	<u>6,832,640</u>

12. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Costs of fundraising	-	1,350	1,350
Academy's sport centre operations	35,232	274	35,506
Academy's educational operations	<u>1,006,130</u>	<u>12,051</u>	<u>1,018,181</u>
	<u>1,041,362</u>	<u>13,675</u>	<u>1,055,037</u>

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

Management

	Academy's sport centre operations £	Academy's educational operations £	Period 1.9.22 to 31.3.23 Total activities £	Year Ended 31.8.22 Total activities £
Wages	7,425	363,833	371,258	643,015
Social security	513	25,141	25,654	45,717
Pensions	1,797	88,047	89,844	661,177
Hire of plant and machinery	880	43,107	43,987	75,407
Technology costs	31	1,539	1,570	2,644
Recruitment and support	206	10,092	10,298	12,663
Maintenance of premises and equipment	<u>19,014</u>	<u>98,943</u>	<u>117,957</u>	<u>464,347</u>
Carried forward	29,866	630,702	660,568	1,904,970

THE ABBEY SCHOOL (FAVERSHAM)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023****12. SUPPORT COSTS - continued****Management - continued**

			Period 1.9.22 to 31.3.23	Year Ended 31.8.22
	Academy's sport centre operations £	Academy's educational operations £	Total activities £	Total activities £
Brought forward	29,866	630,702	660,568	1,904,970
Rent and rates	482	23,612	24,094	77,936
Energy costs	2,531	124,023	126,554	100,087
Insurance	510	24,986	25,496	39,173
Security and transport	108	5,288	5,396	4,196
Catering	-	70,121	70,121	99,496
Depreciation of tangible and heritage assets	-	30,436	30,436	51,866
Interest on pension scheme lia	-	12,000	12,000	74,000
Other costs	<u>1,735</u>	<u>84,962</u>	<u>86,697</u>	<u>198,052</u>
	<u>35,232</u>	<u>1,006,130</u>	<u>1,041,362</u>	<u>2,549,776</u>

Governance costs

			Period 1.9.22 to 31.3.23	Year Ended 31.8.22
	Costs of fundraising £	Academy's sport centre operations £	Academy's educational operations £	Total activities £
Auditors' remuneration	<u>1,350</u>	<u>274</u>	<u>12,051</u>	<u>13,993</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

13. AUDITORS' REMUNERATION

	31.03.23	31.08.22
Auditors' remuneration		
- Audit of financial statements	8,250	7,873
- Auditors' remuneration - Non audit services	2,250	1,760
Accounts return	1,000	925
EOYC Audit	825	750
Internal Audit system checks	<u>1,350</u>	<u>2,685</u>
	<u>13,675</u>	<u>13,993</u>

The external auditors, McCabe Ford Williams, did not provide the service of Internal Scrutiny checks for the 2022/23 financial period, this service was provided by Baxter & Co.

14. STAFF COSTS

	Period 1.9.22 to 31.3.23 £	Year Ended 31.8.22 £
Wages and salaries	2,792,061	4,763,896
Social security costs	253,164	455,034
Operating costs of defined benefit pension schemes	<u>634,658</u>	<u>1,586,979</u>
	3,679,883	6,805,909
Supply teacher costs	178,348	159,968
Compensation payments	<u>18,500</u>	<u>31,273</u>
	<u>3,876,731</u>	<u>6,997,150</u>

Non-statutory / non-contractual staff severance payments

The academy trust paid 1 (2022:3) severance payment in the period, disclosed in the following bands:

	31.03.23	31.08.22
£Nil - £25,000	1	-
£25,001 - £50,000	-	1

Included in staff restructuring costs are 1 non-contractual severance payment totalling £18,500 (2022: £31,237).

Staff numbers

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

	31.03.23 FTE	31.08.22 FTE
Charitable activities		

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

14. STAFF COSTS - continued

Teachers and educational support	109	113
Administration and support	23	29
Management	7	7
Sports centre staff	2	2
Totals	141	151

The average number of persons (including senior management team) employed by the academy trust during the period was as follows:

	Period 1.9.22 to 31.3.23	Year Ended 31.8.22
Teachers and educational support	130	131
Administration and support	31	40
Management	7	7
Sports centre staff	<u>2</u>	<u>4</u>
	<u>170</u>	<u>182</u>

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

	Period 1.9.22 to 31.3.23	Year Ended 31.8.22
£60,001 - £70,000	1	4
£70,001 - £80,000	-	1
£100,001 - £110,000	<u>-</u>	<u>1</u>
	<u>1</u>	<u>6</u>

The above employees participated in the Teachers' Pension Scheme and Local Government Pension Scheme. During the period ended 31 March 2023, pension contributions for these staff amounted to £15,184 (2022: £94,359).

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 £383,920 (2022: £713,160)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023**

15. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

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, Accounting Officer and trustee):

Remuneration £60,000 - £70,000 (2022: £100,000 - £110,000)

Employers Pension Contributions £15,000 - £20,000 (2022: £20,000 - £25,000)

Mrs R Fletcher (staff trustee) resigned 16/12/2021:

Remuneration £Nil (2022: £10,000 - £15,000)

Employers Pension Contributions £Nil (2022: £Nil - £5,000)

Mrs L Temple (staff trustee) resigned 20/4/2022:

Remuneration £Nil (2022: £30,000 - £35,000)

Employers Pension Contributions £Nil (2022: £5,000 - £10,000)

During the period ended 31 March 2023 travel and subsistence expenses of £Nil were reimbursed to trustees (year ended 2022: £Nil)

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 (2022: £130).

17. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted Fixed Asset funds £	Restricted general funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	24,382	6,440	30,822
Charitable activities				
Funding for the academy's educational operations	-	-	8,309,082	8,309,082
Academy's sport centre operations	111,823	-	-	111,823
Other trading activities	21,190	-	15,989	37,179
Investment income	122	-	-	122
Total	133,135	24,382	8,331,511	8,489,028
EXPENDITURE ON				
Raising funds	8,059	-	47,319	55,378

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

17. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted Fixed Asset funds £	Restricted general funds £	Total funds £
Charitable activities				
Academy's educational operations	1,671	691,199	8,597,464	9,290,334
Academy's sport centre operations	106,075	-	-	106,075
Total	<u>115,805</u>	<u>691,199</u>	<u>8,644,783</u>	<u>9,451,787</u>
NET INCOME/(EXPENDITURE)	17,330	(666,817)	(313,272)	(962,759)
Transfers between funds	-	13,310	(13,310)	-
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	-	-	4,698,000	4,698,000
Net movement in funds	17,330	(653,507)	4,371,418	3,735,241
RECONCILIATION OF FUNDS				
Total funds brought forward	216,164	16,136,046	(4,230,102)	12,122,108
TOTAL FUNDS CARRIED FORWARD	<u>233,494</u>	<u>15,482,539</u>	<u>141,316</u>	<u>15,857,349</u>

18. TANGIBLE FIXED ASSETS

	Leasehold property and land £	3G artificial pitch £	Long leasehold £	Computer equipment £	Totals £
COST					
At 1 September 2022	18,482,226	671,733	1,118,044	-	20,272,003
Additions	-	-	30,759	28,169	58,928
At 31 March 2023	<u>18,482,226</u>	<u>671,733</u>	<u>1,148,803</u>	<u>28,169</u>	<u>20,330,931</u>
DEPRECIATION					
At 1 September 2022	4,054,359	335,874	372,681	-	4,762,914
Charge for year	256,871	19,592	26,396	1,496	304,355
At 31 March 2023	<u>4,311,230</u>	<u>355,466</u>	<u>399,077</u>	<u>1,496</u>	<u>5,067,269</u>
NET BOOK VALUE					
At 31 March 2023	<u>14,170,996</u>	<u>316,267</u>	<u>749,726</u>	<u>26,673</u>	<u>15,263,662</u>
At 31 August 2022	<u>14,427,867</u>	<u>335,859</u>	<u>745,363</u>	-	<u>15,509,089</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.8.22
	£	£
Trade debtors	8,630	4,668
Other debtors	-	1,320
VAT	19,635	63,684
Prepayments and accrued income	<u>334,934</u>	<u>130,759</u>
	<u>363,199</u>	<u>200,431</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.8.22
	£	£
Other loans (see note 22)	13,310	13,310
Trade creditors	30,136	136,596
Social security and other taxes	107,361	117,477
Other creditors	34,568	52,164
Accruals and deferred income	<u>129,208</u>	<u>87,528</u>
	<u>314,583</u>	<u>407,075</u>

DEFERRED INCOME

	31.3.23	31.8.22
	£	£
Deferred income at 1 September 2022	8,418	32,649
Resources deferred in the year	49,327	8,418
Amounts released from previous periods	<u>(8,418)</u>	<u>(32,649)</u>
Deferred income at 31 March 2023	<u>49,327</u>	<u>8,418</u>

£8,664 (2022: £Nil) is in respect of Erasmus Funding received in advance, and £3,838 (2022: £Nil) relating to Duke of Edinburgh and £36,825 (2022: £8,418) of other income.

THE ABBEY SCHOOL (FAVERSHAM)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023****21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.23	31.8.22
	£	£
Other loans (see note 22)	<u>46,585</u>	<u>53,240</u>

22. LOANS

An analysis of the maturity of loans is given below:

	31.3.23	31.8.22
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>13,310</u>	<u>13,310</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>33,275</u>	<u>39,930</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

		Restricted		31.3.23
	Unrestricted	Fixed	Restricted	Total
	fund	Asset	general	funds
	£	funds	funds	£
Fixed assets	-	15,263,662	-	15,263,662
Current assets	269,028	92,125	1,406,528	1,767,681
Current liabilities	-	(13,310)	(301,273)	(314,583)
Long term liabilities	-	(46,585)	-	(46,585)
Pension liability	-	-	(368,000)	(368,000)
	<u>269,028</u>	<u>15,295,892</u>	<u>737,255</u>	<u>16,302,175</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

				31.8.22
	Unrestricted	Restricted	Restricted	
	fund	Fixed	general	Total
	£	Asset	funds	funds
	£	£	£	£
Fixed assets	-	15,509,089	-	15,509,089
Current assets	239,393	65,575	1,094,607	1,399,575
Current liabilities	(5,899)	(38,885)	(362,291)	(407,075)
Long term liabilities	-	(53,240)	-	(53,240)
Pension liability	-	-	(591,000)	(591,000)
	<u>233,494</u>	<u>15,482,539</u>	<u>141,316</u>	<u>15,857,349</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

25. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Restricted general funds				
General Annual Grant	653,626	418,082	(65,583)	1,006,125
Other restricted grants				
	462	(462)	-	-
School Voluntary Fund	54,005	(12,968)	-	41,037
Education Funding Agency	23,623	32,436	-	56,059
Pension fund	(591,000)	223,000	-	(368,000)
Other Government	600	1,434	-	2,034
	<u>141,316</u>	<u>661,522</u>	<u>(65,583)</u>	<u>737,255</u>
Restricted fixed asset funds				
Funding from GAG	11,827,892	(260,277)	65,583	11,633,198
Funding from the ESFA	-	52,125	-	52,125
Other Restricted Capital Grant	40,000	-	-	40,000
Donation of other assets	3,614,647	(44,078)	-	3,570,569
	<u>15,482,539</u>	<u>(252,230)</u>	<u>65,583</u>	<u>15,295,892</u>
Total restricted funds	<u>15,623,855</u>	<u>409,292</u>	<u>-</u>	<u>16,033,147</u>
Unrestricted fund				
General Fund	233,494	35,534	-	269,028
TOTAL FUNDS	<u>15,857,349</u>	<u>444,826</u>	<u>-</u>	<u>16,302,175</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

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	3,803,755	(3,385,673)	-	418,082
Other restricted grants				
	5,079	(5,541)	-	(462)
School Voluntary Fund	9,733	(22,701)	-	(12,968)
Education Funding Agency	253,476	(221,040)	-	32,436
Pupil Premium	214,389	(214,389)	-	-
Pension fund	-	(37,000)	260,000	223,000
Other Government	532,573	(531,139)	-	1,434
Academies Prog. Funding	377,838	(377,838)	-	-
	<u>5,196,843</u>	<u>(4,795,321)</u>	<u>260,000</u>	<u>661,522</u>
Restricted fixed asset funds				
Funding from GAG	-	(260,277)	-	(260,277)
Funding from the ESFA	46,344	5,781	-	52,125
Donation of other assets	-	(44,078)	-	(44,078)
	<u>46,344</u>	<u>(298,574)</u>	<u>-</u>	<u>(252,230)</u>
Total restricted funds	<u>5,243,187</u>	<u>(5,093,895)</u>	<u>260,000</u>	<u>409,292</u>
Unrestricted fund				
General Fund	101,937	(66,403)	-	35,534
	<u>101,937</u>	<u>(66,403)</u>	<u>-</u>	<u>35,534</u>
TOTAL FUNDS	<u>5,345,124</u>	<u>(5,160,298)</u>	<u>260,000</u>	<u>444,826</u>

THE ABBEY SCHOOL (FAVERSHAM)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023****25. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Restricted general funds				
General Annual Grant	338,896	328,040	(13,310)	653,626
Other restricted grants				
	-	462	-	462
School Voluntary Fund	93,002	(38,997)	-	54,005
Education Funding Agency	-	23,623	-	23,623
Pension fund	(4,662,000)	4,071,000	-	(591,000)
Other Government	-	600	-	600
	<u>(4,230,102)</u>	<u>4,384,728</u>	<u>(13,310)</u>	<u>141,316</u>
Restricted fixed asset funds				
Funding from GAG	12,289,163	(474,581)	13,310	11,827,892
Funding from the ESFA	148,158	(148,158)	-	-
Other Restricted Capital Grant	40,000	-	-	40,000
Donation of other assets	<u>3,658,725</u>	<u>(44,078)</u>	<u>-</u>	<u>3,614,647</u>
	<u>16,136,046</u>	<u>(666,817)</u>	<u>13,310</u>	<u>15,482,539</u>
Total restricted funds	<u>11,905,944</u>	<u>3,717,911</u>	<u>-</u>	<u>15,623,855</u>
Unrestricted fund				
General Fund	<u>216,164</u>	<u>17,330</u>	<u>-</u>	<u>233,494</u>
TOTAL FUNDS	<u>12,122,108</u>	<u>3,735,241</u>	<u>-</u>	<u>15,857,349</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

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	6,104,471	(5,776,431)	-	328,040
Other restricted grants				
	13,904	(13,442)	-	462
School Voluntary Fund	13,847	(52,844)	-	(38,997)
Education Funding Agency	293,499	(269,876)	-	23,623
Pupil Premium	340,561	(340,561)	-	-
Pension fund	-	(627,000)	4,698,000	4,071,000
Other Government	907,252	(906,652)	-	600
Academies Prog. Funding	657,977	(657,977)	-	-
	<u>8,331,511</u>	<u>(8,644,783)</u>	<u>4,698,000</u>	<u>4,384,728</u>
Restricted fixed asset funds				
Funding from GAG	-	(474,581)	-	(474,581)
Funding from the ESFA	24,382	(172,540)	-	(148,158)
Donation of other assets	-	(44,078)	-	(44,078)
	<u>24,382</u>	<u>(691,199)</u>	<u>-</u>	<u>(666,817)</u>
Total restricted funds	<u>8,355,893</u>	<u>(9,335,982)</u>	<u>4,698,000</u>	<u>3,717,911</u>
Unrestricted fund				
General Fund	133,135	(115,805)	-	17,330
	<u>133,135</u>	<u>(115,805)</u>	<u>-</u>	<u>17,330</u>
TOTAL FUNDS	<u>8,489,028</u>	<u>(9,451,787)</u>	<u>4,698,000</u>	<u>3,735,241</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 March 2023.

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 March 2023.

Restricted fixed asset funds

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

25. MOVEMENT IN FUNDS - continued

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.

Transfers between funds

A transfer of £6,655 was made from GAG to the restricted fixed asset fund to cover the Salix loan repayments during the year. A further transfer of £58,928 was made from GAG to the restricted fixed asset fund to cover the cost of additions during the period under review

School voluntary fund

The school voluntary fund has a carried forward balance of £41,147. This balance includes £528 for the sixth form prom, £40,000 for Edward Vinson Donation Science.

Designated funds

Funds of £214,583 remain designated to the 3G sports pitch maintenance, the Football Association has confirmed that where losses have been incurred these can be covered by the transfer from the sinking fund.

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 PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

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 2024.

The employer's pension costs paid to TPS in the period amounted to £419,604 (2022 - £712,197).

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 period ended 31 March 2023 was £268,000 (2022 - £416,000), of which employer's contributions totalled £212,000 (2022 - £327,000). and employees' contributions totalled £56,000 (2022 - £89,000). The agreed contribution rates for future years are 22.50 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.

On 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

26. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.3.23	31.8.22
	£	£
Current service cost	235,000	877,000
Net interest from net defined benefit asset/liability	12,000	74,000
Past service cost	-	-
Administration expenses	<u>2,000</u>	<u>3,000</u>
	<u>249,000</u>	<u>954,000</u>
 Actual return on plan assets	 <u>142,000</u>	 <u>91,000</u>

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

	Defined benefit pension plans	
	31.3.23	31.8.22
	£	£
Opening defined benefit obligation	6,378,000	10,172,000
Current service cost	235,000	877,000
Contributions by scheme participants	56,000	89,000
Interest cost	156,000	168,000
Benefits paid	(108,000)	(64,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	-	(203,000)
Actuarial (gains)/losses from changes in financial assumptions	(977,000)	(5,234,000)
Experience loss/(gain) on obligation	<u>749,000</u>	<u>573,000</u>
	<u>6,489,000</u>	<u>6,378,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

26. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.3.23	31.8.22
	£	£
Opening fair value of scheme assets	5,787,000	5,510,000
Contributions by employer	212,000	327,000
Contributions by scheme participants	56,000	89,000
Expected return	144,000	94,000
Actuarial gains/(losses)	(2,000)	(3,000)
Benefits paid	(108,000)	(64,000)
Remeasurements:		
Return on plan assets (excluding interest income)	(118,000)	(166,000)
Assets other remeasurement	<u>150,000</u>	<u>-</u>
	<u>6,121,000</u>	<u>5,787,000</u>

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

	Defined benefit pension plans	
	31.3.23	31.8.22
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	-	203,000
Actuarial (gains)/losses from changes in financial assumptions	977,000	5,234,000
Experience loss/(gain) on obligation	(749,000)	(573,000)
Return on plan assets (excluding interest income)	(118,000)	(166,000)
Assets other remeasurement	<u>150,000</u>	<u>-</u>
	<u>260,000</u>	<u>4,698,000</u>

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

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	
	31.3.23	31.8.22
	£	£
Equities	3,905,000	3,793,000
Gilts	34,000	33,000
Other Bonds	804,000	765,000
Property	611,000	681,000
Cash	110,000	98,000
Absolute return fund	448,000	417,000
Infrastructure	209,000	-
	<u>6,121,000</u>	<u>5,787,000</u>

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

	31.3.23	31.8.22
Discount rate	4.80%	4.25%
Future salary increases	3.90%	3.95%
Future pension increases	2.90%	2.95%
Price Increases	2.90%	2.95%
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	21.1	21
Females	23.5	23.5
Retiring in 20 years		
Males	22.3	22.3
Females	25	24.9

Sensitivity analysis

	31.3.23	31.8.22
	£	£
Discount rate +0.1%	5,433,000	6,236,000
Discount rate -0.1%	7,898,000	6,523,000
Mortality assumption - 1 year increase	6,292,000	6,566,000
Mortality assumption - 1 year decrease	6,693,000	6,196,000
CPI rate +0.1%	7,851,000	6,515,000
CPI rate -0.1%	5,465,000	6,244,000

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

26. PENSION AND SIMILAR OBLIGATIONS - continued

	Increase in obligation at March 2023	Increase in obligation at 31 August 2022
	£	£
1% decrease in real discount rate	1,409,000	145,000
1 year increase in member life expectancy	204,000	188,000
1% increase in salary increase rate	61,000	10,000
1% increase in pension increase rate	1,362,000	137,000

27. CAPITAL COMMITMENTS

	31.3.23	31.8.22
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>11,905</u>

28. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

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

	31.3.23	31.8.22
	£	£
Within one year	49,612	82,199
Between one and five years	<u>33,200</u>	<u>58,452</u>
	<u>82,812</u>	<u>140,651</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.

J Levitt, Daughter of N Levitt, a trustee, is employed by the academy trust as a teacher. J Levitt's appointment was made in open competition and N Levitt was not involved in the decision-making process regarding appointment. J Levitt is paid within the normal pay scale for her role 2023: £8,540, (2022: £13,920) and receives no special treatment as a result of her relationship to a trustee.

All transactions are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

An Apple iPad was valued at resale cost of £40 - £45 and was sold to a staff member for £41 during the previous financial year. Included in the accounts is £Nil (2022: £41) for the sale of this computer equipment to staff.

Total related party transactions during the year totalled £8,540 (2022: £13,961).

THE ABBEY SCHOOL (FAVERSHAM)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 SEPTEMBER 2022 TO 31 MARCH 2023

30. POST BALANCE SHEET EVENTS

As at 1 April 2023 the Abbey School have been transferred into The Howard Academy Trust. This includes all assets and liabilities.

31. 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 £27,931. The Academy also received a further £16,850 during the period. Disbursements during the period amounted to £4,072 which included admin fees of £1,472 and a further £4,670 was repaid to ESFA. An amount of £34,568 is included in other creditors relating to undistributed funds of which, £Nil (2022:£4,670) was repayable to ESFA.

