

Timu Academy Trust
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2020

Timu Academy Trust
(A company limited by guarantee)

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Reference and Administrative Details of the Academy trust, its trustees and Advisers
For the Year Ended 31 August 2020

Members	David Walker Graham Lloyd Angela Edwards Ray Kemsley Louise Wade Simon Adcock Neil Peterson
Trustees	Diane Browning, Executive Principal and Accounting Officer Trudy Langton-Freeman (resigned 10/3/2020) Neil Peterson (Chair of Trustees) Mandy Garner John White Anthony Fasusi (resigned 2/9/2020) Caroline Jennings (appointed 2/12/2019, resigned 10/3/2020)
Company registered number	09022463
Principal and registered office	Iwade School School Lane Iwade Sittingbourne Kent ME9 8RS
Company secretary	Mr. M.H.C Hydes
Senior management team	D Browning, Executive Principal K Stewart, Head of School – Bobbing T Harwood, Trust Deputy Headteacher T Wood, Trust Strategic Lead D. Stacey, Business Manager
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants and Statutory Auditors Thames House Roman Square Sittingbourne Kent. ME10 4BJ
Bankers	Lloyds Bank plc 125 High Street Sittingbourne Kent. ME10 4BD
Solicitors	Veale Wasborough Vizards Barnards Inn 86 Fetter Lane London. EC4A 1AD

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Trustees' Report (continued)
For the Year Ended 31 August 2020

The trustees present their annual report together with the financial statements and auditor's report of the academy trust for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates 2 primary academies near to Sittingbourne, Kent. Its academies have a combined pupil capacity of 840 with effect from 1 September 2020 and had a roll of 807 in the October 2019 school census against a capacity of 810.

The 2019/20 school and financial year has been extraordinary due to the global pandemic and subsequent unprecedented national lockdown. This has had significant impact across all areas of the trust's operations.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Timu Academy Trust are also the directors of the academy trust for the purposes of company law.

Details of the trustees who served during the year 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 in the event of the academy trust 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 ceased to be a member.

Trustees' Indemnities

Subject to the provisions of the Companies Act 2006, every Trustee and Officer of the Academy shall be indemnified out of the assets of the Academy 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 him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

No indemnities have been given to any third parties on behalf of the Trustees.

Method of Recruitment and Appointment or Election of Trustees

The number of directors (trustees) shall be not less than three but not subject to any maximum. The term of office for any director shall be four years. Future directors shall be appointed or elected under the articles of association. Subject to remaining eligible to be a particular type of trustee (directors) any trustee may be re-appointed or re-elected.

The trust's members may appoint up to ten directors plus staff directors (staff directors not to exceed one third of total number of directors). The academy's Executive Principal acts as an ex-officio trustee in accordance with the requirements of the ESFA without the need for appointment or election. The trustees (directors) may appoint co-opted directors. Parent directors shall be elected by parents of registered pupils of the academies in accordance with article 53, and a parent director must be a parent of a registered pupil at the academy at the time they are elected. All parents are entitled to stand as candidates for election where a vacancy for a parent director is required to be filled.

Policies and Procedures Adopted for the Induction and Training of Trustees

Training and induction is tailored to new Trustees as appropriate to their requirements and previous experience. Trustees have access to policies, procedures, minutes, budgets, accounts and other relevant plans and documents that they need to fulfil their role.

Organisational Structure

From September 2019 to August 2020 the Timu Academy Trust was governed by a Board of Trustees. A Local Governor Body was in place for the schools. There were 6 members.

Leadership and management across the trust are delegated by trustees to the Executive Principal.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

The management structure across the Timu Academy Trust consists of an Academy Leadership Team, which is led by the Executive Principal and includes individual Heads of School, Trust Strategic Lead, the Trust Deputy Head Teacher and the School Business Manager.

The Academy Leadership Team is responsible for the strategic development and day to day operation of the academies, in particular organising the teaching staff, facilities and students. Some spending control is also devolved to Heads of School.

The Executive Principal is the Accounting Officer for the trust although certain functions are delegated to the business manager on a day to day basis.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the academy trust comprise the trustees and senior leadership team as disclosed on page 1.

The pay policy, setting the terms and conditions for the key management personnel, was developed and approved by the board of trustees, after taking advice from the Executive Principal and following guidance from the relevant professional pay review bodies. Naturally the key management personnel were not involved in setting their own remuneration package.

Only staff trustees, including the Executive Principal, are remunerated, and these individuals only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as trustees. Specific disclosures concerning staff trustees' remuneration is included in note 13.

The day to day running of the pay policy is delegated to the Executive Principal and monitored by the finance committee. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked closely to pay spines, helping trustees conclude that each individual's remuneration is at an appropriate level. As such salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board are mindful of the charitable status of the academy trust and in recognise the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the trust. Due regard is given to the latest executive pay guidance issued by the Department for Education. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 11 (e).

Trade Union facility time

The trust did not have any employees who action as union officials during the year and so no time was spent on facility time or union matters.

Related Parties and other Connected Charities and Organisations

The trust is a member of the Gateway Alliance, a collaboration of local schools who work together to raise standards for all young people and to enhance the capacity within each organisation, whilst maintaining individual identity.

The Gateway Alliance is a separate financial entity and is chaired by the Executive Principal of Timu Academy Trust.

The trust is also a founder member of the Kent MAT Alliance (KMA) a group of Kent Trusts who work together to support and challenge one another and identify opportunities for collaborative working and purchasing.

Trustees' Report (continued)
For the Year Ended 31 August 2020

OBJECTIVES AND ACTIVITIES

Objects and Aims

The trust was formed on conversion of Iwade School and Bobbing Village School to a multi-academy trust on the 1 June 2014. Since then the principal objects and activity of the academy trust is the operation of the schools to provide an appropriate education and enrichment provision for pupils between the ages of 4 and 11. In setting the objectives and planning the activities the directors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary benefit guidance on advancing education.

Key Objectives:

By the time our children leave us at the end of year 6 we want them all to have developed the skills and attributes to be:

- Successful lifelong learners;
- Happy, healthy and confident individuals;
- Responsible citizens; and
- Resilient, ready to adapt and contribute to a changing world.

We recognise everyone as an individual and we nurture, value and develop them. We aim to achieve the highest standards in all that we do and to have happy children and staff, eager and excited to come to school. We work in collaboration with other schools and organisations seeking the best innovative practice in teaching, sharing new ideas and learning from others. We use research as a springboard for change. We strive to make our schools even better, recruiting the very best to meet the needs of a changing world. We foster a positive attitude which allows everyone to develop new skills, build resilience and achieve their dreams.

Key Priorities:

- To work with educational establishments outside of the MAT to raise educational achievement;
- To attract, recruit, and retain teachers of the highest standard, and train new teachers from within the Trust schools e.g. TA graduates and invest in teacher training;
- To provide high quality professional support to enable all staff to improve further;
- To ensure the schools in the Trust have great leaders who secure our capacity to support other schools;
- To invest in the continued development and improvement of our curriculum so that it is innovative and excites and motivates children to have enquiring minds; and
- To secure the progress of all children by maintaining a dialogue with them about their present and future learning.

Objectives, Strategies and Activities

The main objectives for the period September 2020 to August 2021 are given in detail in the Trust Board strategic plan. These include:

Strategic Objective	Indicators of Success
LEADERSHIP To provide outstanding governance and leadership, with clear succession planning	<ul style="list-style-type: none">• To ensure that the Board of Directors acts in the best interests of the Trust, governing in accordance with the articles of association and having governance arrangements that demonstrate visionary leadership, clarity of relationships, effective oversight and sustainability, whilst achieving the greatest possible economies.• To ensure that the Executive Principal and Trust Strategic team provide dynamic leadership that is both rigorous and supportive and delivers an excellent school experience that is sustainable over time• To develop future leaders and effective succession planning for all the Trust schools
EDUCATIONAL STANDARDS Increasing the quality of provision from all our schools	<ul style="list-style-type: none">• To ensure that our schools have effective school development plans, which drive to raise standards and that reflect the impact of the Coronavirus pandemic and the effect on children and their families• To ensure that all Trust schools maintain their Ofsted grading of at least Good• To ensure that all Trust schools are at least in line with national average in terms of attainment and progress and that the In School Variance is addressed over time• To ensure our schools provide the very best teaching to promote high quality learning for our children and enable all staff to make a real difference for our pupils• Broaden the use of educational research across the Trust to continue to develop evidence informed practice and enhance teaching pedagogy. To support and encourage staff to engage in local research forums and projects to develop research practice

Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic Objective	Indicators of Success
EDUCATIONAL STANDARDS Increasing the quality of provision from all our schools – cont.	<ul style="list-style-type: none">• To continue to develop an outstanding curriculum across the Trust, which is truly inclusive, contextual, demonstrates high level of pupil engagement and behaviour for learning and develops knowledge and skills for all children• Actively work to reduce teacher workload• As a result of the pandemic, develop further our wellbeing, mental health and pastoral support across our schools for pupils, staff and families• To ensure that the gaps for Pupil Premium children are reduced in all Trust schools, indicating that the PPG spend is effective
EXPANSION AND COLLABORATION PLAN Sponsoring and collaborating with Kent schools to develop new partnerships and develop practice within the Trust	<ul style="list-style-type: none">• To grow the Trust in a measured way so that standards are maintained and improved and that there is sufficient capacity within the Trust to support the growth of the Trust• Continue with collaborative links for Kent MAT Alliance to support MAT to MAT development and reviews, as well as supporting staff development and engagement in research projects• Continue with outward facing links to the Gateway Alliance, Swale Pupil Premium Forum (hosted by Timu), KAH (Kent Association of Headteachers) research group and hosting of Swale Research Hub
EFFICIENCY Ensuring a financially viable and sustainable MAT	<ul style="list-style-type: none">• To ensure the Trust has business arrangements that are efficient and effective, and enables it to deliver on its commitments to grow and prosper and to deliver value for money across all our operations• To optimise our budget, we will aim to deliver best practice, but at the same time minimise risk and provide value for money• To promote and develop the Trust and the services that we offer to a wider cohort of schools. We will work through a range of partnerships to share good practice and jointly procure services to bring about better value for money and economies of scale

Public Benefit

The academy trust's aims, activities and achievements as set out in this report are and have been undertaken in the furtherance of the charitable objects for public benefit. The trustees have complied with their duty (under section 4 of the Charities Act 2011) to have due regard to the guidance on public benefit published by the Charities Commission and have observed the guidance in deciding which activities the academy trust should undertake.

Wherever possible the trust also aims to contribute to the benefit of the wider public. Through the year contributions which benefit the wider community included the following:

- Availability of the school facilities for community use, such as a karate club; dance & gymnastic club;
- Fund raising through the year for a range of local and national charities, including Demelza House children's hospice, the Poppy Appeal and Children in Need.
- Involvement and support for school sporting activities within the local area across a wide range of sports until curtailed by the Coronavirus restrictions.

STRATEGIC REPORT

Achievements and Performance

Historic performance tables for each school, which include measurements of achievement and progress can be found on the Timu website (www.timuacademytrust.org.uk) via links to individual schools. Statutory assessments did not take place during the 19/20 school year due to the Coronavirus restrictions.

Iwade school remained open for the children of key workers and vulnerable pupils from both schools throughout the Spring and Summer terms. Extraordinary efforts were taken to keep children and staff safe and reassured during this time.

Key priorities for the year are contained in the School Improvement Plans which are available from school offices and are in line with the academy trust's Strategic Plan as summarised previously.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Key Financial Performance Indicators

The trustees consider that the following are key performance indicators for the trust (in addition to educational outcome results):

- Pupil numbers across the trust have increased during the period from 777 to 807; we aim to keep pupil numbers in line with our increased PAN;
- Usual Pupil attendance data was impacted by the lockdown, but prior to this attendance was averaging 96.5% across the trust
- Staff costs as a percentage of total income to be maintained under 75%;
- Staff costs as a percentage of total costs to be maintained under 80%

The trustees are pleased with how the trust has performed given the extraordinary challenges during the year. Additional indicators are included in the plans for the future for each school.

Going Concern

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

FINANCIAL REVIEW

Most of the academy trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA"). Core grant income has been supplemented by capital funding and various other self-generated income streams.

Total income for the year was £3.7m, up versus £3.5m in the previous year. The increase was predominantly attributable to a £225k rise in core General Annual Grant (GAG) funding, largely as a result of a rise in pupil numbers at Iwade School. The funding, which is lagged, was based on 566 pupils at Iwade for 2019 to 2020 compared to 533 pupil for 2018 to 2019. Other revenue grant funding also increased but was countered by a reduction in capital grants and a fall in other income, for example school trip income which fell following the cancellation of outings during the Covid-19 lockdown (school trip costs also fell accordingly).

The incoming resources for the year have not been sufficient to cover total resources expended of £3.8m (2019: £3.5m) resulting in net expenditure for the year of £117k (2019: £29k), as shown on the SoFA. The overall net movement in funds, after actuarial movements on the Local Government defined benefit pension scheme ("LGPS"), was a reduction of £469k (2019: £315k). It is important to note that this overall movement in funds does not reflect the meaningful operational result and includes movements that do not relate to day-to-day running of the trust's academies.

To reach the result on revenue income funds it is necessary to exclude movements on tangible fixed assets and the LGPS defined benefit pension liability. The table below reconciles from the total movement on the SOFA to the £180k increase in revenue funds during the year (2019: £163k). The 'operational' result prior to revenue to capital transfers for fixed assets acquired from revenue funds is also stated:

	2020 (£000s)	2019 (£000s)
Overall net movement in funds for the year per SoFA	(469)	(315)
<u>Add:</u>		
Decrease / (increase) attributable to fixed asset fund	74	6
LGPS actuarial (gain)/loss	352	286
LGPS service and interest costs	223	186
Total movement in year on revenue funds	180	163
Revenue to capital transfers	57	76
Operational surplus /(deficit) on revenue funds	237	239

At 31 August 2020, the net book value of fixed assets was £9.5m and movements in tangible fixed assets are shown in note 15 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the trust's academies.

Trustees' Report (continued)
For the Year Ended 31 August 2020

Financial position

The trust held fund balances at 31 August 2020 of £9.2m (2019: £9.6m). These funds comprised restricted fixed asset funds of £9.6m (2019: £9.7m), restricted revenue funds of £383k (2019: £309k) and unrestricted revenue funds of £1.04m (2019: £930k).

The fixed asset fund includes £96k of as yet unspent capital funding in relation to Condition Improvement Fund grants received for Bobbing School in previous financial years for drainage works. This project remains in deadlock due to Highways England wishing for the Trust to provide unlimited indemnity against issues that may arise from tunneling under the dual carriageway adjacent to the school. This is deemed not to be an acceptable risk for the trust to take and further resolutions are being sought.

The pension reserve deficit of £1.85m (2019: £1.27m) is the only fund in deficit. This deficit does not mean that an immediate liability crystallises; it results in a cash flow effect for the trust in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the academy trust because of recognising the deficit. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions are currently set to rise at small annual incremental levels until 1 April 2023.

Reserves Policy

The trustees review the reserve levels of the trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The trustees have determined that the appropriate minimum level of free reserves should be £350,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

Additional reserves are being held to fund capital projects due to take place in 2020/21.

The academy's reserves policy:

- Assists in strategic planning by considering how new projects or activities will be funded.
- Informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects.
- Informs the budget and risk management process by identifying any uncertainty in future income streams.

The trustees identify:

- When reserves are drawn on, so that they understand the reasons for this and can consider what corrective action, if any, needs to be taken.
- When reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any that needs to be taken.

When considering an appropriate level of reserves, the governors/trustees consider:

- The risk of unforeseen emergency or other unexpected need for funds.
- Covering unforeseen day-to-day operational costs, for example employing temporary staff to cover a long-term sick absence.
- A fall in a source of income, such as lettings.
- Planned commitments, or designations, that cannot be met by future income alone, for example plans for a major capital project.
- The need to fund potential deficits in a cash budget, for example money may need to be spent before a funding grant is received.

Financial and Risk Management Objectives and Policies

The trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the trust to a number of financial risks which are described in more detail below.

The main risks arising from the trust's financial instruments are liquidity, cash flow and interest rate risks.

- **Liquidity risk** - The trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing. Surplus cash is invested so as to maximise interest income.

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- *Interest rate risk* - The trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the trust's assets.
- *Credit risk* - arises from the possibility that amounts owed to the trust will not be repaid. The trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

Principal Risks and Uncertainties

The main risks that the trust exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

- *Strategic and reputational* – this covers the risks to the management of the academy trust which could affect its viability
- *Operational* - this covers risks to the running of the constituent academies (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.
- *Financial* - covering risks to the academy trust's financial position, including revenue streams, cost control and cash management.
- *Compliance* – covering the risks which can arise from non-compliance with legislation, educational guidance and audit.

The risks to which the trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

Investment Policy

At Timu Academy Trust, we are careful with the public money we are entrusted with. We will carefully invest any money that is not required to cover anticipated expenditure and take steps to manage the risk associated with financial investments.

The purpose of this policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. Good financial returns mean that more money can be spent on educating pupils.

Action plan

Adequate cash balances must be maintained to ensure that there are always sufficient funds in the Trust's current account to cover financial commitments such as payroll and day-to-day expenses. If there is a surplus of funds after all financial commitments have been considered, this surplus will be invested. Funds may only be invested with the following banks and building societies: Lloyds Bank PLC. The business manager will compare alternative investment opportunities every three months to ensure that the school's funds achieve the best interest rates. The Executive Principal is responsible for ensuring that this policy is adhered to.

Investments must be made only in accordance with this policy approved by the Board of Directors.

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

FUNDRAISING

The trust carries out very limited fundraising activities, which are targeted at parents and carers. Fundraising is usually associated with goods or services related to the child, such as school photographs, children's art work on tea towels, mother's day gifts, Santa visits etc.

In addition, the trust supports a number of local and national charities:

Children in Need	Donation for spotty dressing
Poppy Appeal	Donations for poppies and associated merchandise
Demelza House Hospice	Collection bucket after nativity plays

At the start of the academic year, each of the school communities chose a charity to support. Fund raising and enterprise events were planned for by staff and children to raise money for their charity. Unfortunately the Coronavirus pandemic caused this to cease and so the monies raised have been held pending recommencing the end of year fund raising.

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Trustees' Report (continued)
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The trust does not currently work with professional fundraisers. The trust is aware of the Code of Fundraising Practice, issued by the Fundraising Regulator and endeavors to conform to those sections applicable to our activities. The trust has a published complaints policy, available on the website, although no complaints have been received in relation to fundraising.

The trustees ensure that the trust refrain from any unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

PLANS FOR FUTURE PERIODS

Bobbing Village School & Iwade School

Quality of Education	<ul style="list-style-type: none"> a) RESEARCH: <ul style="list-style-type: none"> - Broaden use of education research across the Trust and in curriculum design. - Develop use of research in pedagogy to continue to improve teaching. - Continue with national research as available. - Continue with Swale Research Hub across Alliance and KMA local schools. b) CURRICULUM: <ul style="list-style-type: none"> - Review curriculum for recovery for all pupils as a result of Covid-19 pandemic. - Continue to evaluate the curriculum and make ongoing adjustments, particularly in light of the pandemic. - Continue with CPD as needed. - Continue to deliver a broad curriculum to accelerate progress for children following the pandemic. - Evaluate ongoing impact on pupil outcomes, engagement and behaviour. - Develop use of subject leader handbook for all subjects Review curriculum to ensure black culture and history, blended families, grief and loss and LGBTQ are embedded since these are highly relevant for our context c) SEN: Continued focus on the achievements of SEND children; all leaders are ambitious for SEND children and adapt the curriculum to meet the needs and starting points of all SEND children. Child facing staff are meeting the needs of SEND pupils. d) READING: <ul style="list-style-type: none"> - Focus on developing Reading for pleasure at both schools (Iwade on completion of new build) and developing reading speed to impact on reading GD outcomes (Iwade). - Implement new reading scheme to support consistency. - Iwade – PHONICS: to give high priority to the teaching of phonics in YR, Y1 and Y2 to raise the proportion of children achieving the phonics screening to above National Average and address the decline in outcomes. - Early reading is a priority. - CPD for class facing staff to ensure consistency. e) WRITING: <ul style="list-style-type: none"> - Implement new writing scheme for consistency across the Trust. - Develop teaching for greater depth. - Implement use of moderation materials. - Iwade – EYFS. Continued key focus on EYFS. - To improve provision to ensure that all children make strong progress from their starting points. - To target GLD at above 80% Target early action for Pupil Premium children f) PROGRESS: Target all children to make expected+ progress, with a minimum of 90% in each year group making at least expected progress over the course of the year, from their starting points.
Behaviour and Attitudes	<ul style="list-style-type: none"> a) The new behaviour policy is adjusted to be effective for ALL children regardless of barriers and has been embedded across the Trust, with positive feedback by staff, parent and pupil questionnaires. All staff and children have high expectations of behaviour in school. Any children with behaviour difficulties will receive appropriate and well documented support. Staff are trained in using the new approach including NQTs, trainees, admin and catering staff and it is consistently applied across the Trust by all members of staff. Positive attitudes and motivation are evident in the children supporting their progress and attainment. b) Perceptions of bullying in school by parents and children are addressed as evidenced on parent survey: T3 18/19 Bobbing 49%- Iwade 43% Parents have an improved perception of the school responding to concerns T3 19/20 Bobbing 83% - Iwade 74%

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Personal Development	<ul style="list-style-type: none">a) As a result of the Covid-19 pandemic, evaluate mental health and wellbeing for both staff and pupils; evaluate the impact of wellbeing interventions and work with wider agencies. Review curriculum mental health and wellbeing initiatives.b) New PSHE/SRE curriculum is in place and promotes equality, inclusivity, resilience and SMSC for all children. Due to be implemented by no later than Summer 2021.c) As a result of the Covid-19 pandemic and the increased time children have spent online, increase focus on teaching children to recognise online and offline risks to their wellbeing and strategies to support this, using new resources from National Online Safety. Any child displaying unacceptable online behaviour will be given an online safety behaviour plan.
Leadership and Management	<ul style="list-style-type: none">a) Evaluate and revise the leadership structure to ensure growth capacity for future leaders and maximising efficiency and distributed leadershipb) Staff are deployed across the Trust schools to sustain and deepen impactc) Each Trust school has accurate self-evaluation (KPIs meet targets, SEF grades reflect outcomes and progress and Ofsted inspections)d) Publish data trends over time and in year data to track progress towards targets (standards, staffing, pupils and finance). Outcomes and progress are at least in line with national averages in each school in the Trust.e) Consistent standards are introduced across the Trust to start to reduce wide deviations in outcomes and progress. Gaps for PP children begin to close using tightly targeted fundingf) Teacher workload continues to be considered with the staff and evaluated for impact. Identify any actions taken which do not have a sufficient impact on children's progressg) Review the impact on PP outcomes and progress trends; adjust how PPG is targeted and track for impacth) To continue to work within Kent MAT Alliance (KMA) to support MAT to MAT development, staff development and research. Continue outward facing links to local Alliance schools through Pupil Premium Forum and Swale Research Hub

AUDITOR

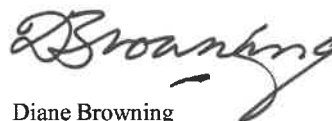
In so far as the trustees are aware:

- there is no relevant audit information of which the academy trust'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.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on and signed on the board's behalf by:



Neil Peterson
Chair of Trustees



Diane Browning
Executive Principal and Accounting Officer

Date: 3 December 2020

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Governance Statement
For the Year Ended 31 August 2020

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Timu Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

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 Executive Principal, as Accounting Officer, for ensuring financial controls conform to 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 Timu Academy Trust 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.

Trustees

The board of trustees has recruited new members to increase the skillset and fill some of the vacancies left by resignations. The Board continues to actively seek trustees with relevant experience and skills to strategically lead the trust.

The trust has carried out in-house training to develop trustees' knowledge and understanding of key processes and outcomes of the schools leading to more effective challenge and evaluation, and raised standards.

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to monitor income and expenditure throughout the year, authorise expenditure above set limits, review financial policies and consider future financial plans.

The Finance Committee also serves as the Audit Committee.

The Business Manager, Dee Stacey, attended Finance Committee meetings in an advisory capacity.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met four times during the year. Additional meetings have taken place with the chair of finance and the full finance committee at other points during the year, ensuring that trustees were able to maintain effective oversight of funds. In addition, the management accounts have been shared with all trustees, including the chair on a monthly basis.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr. Neil Peterson (Chair of Trustees)	6	6
Mrs. Diane Browning (Executive Principal)	6	6
Mr. Tony Fasusi (from appointment 02/12/19)	3	5
Mrs. Caroline Jennings (from appointment 02/12/2019 to resignation on 10/03/2020)	2	2
Mrs. Mandy Garner	5	6
Mrs. Trudy Langton-Freeman (to resignation on 10/03/2020)	3	3
Mr. John White	2	6

Governance reviews:

The governance structure includes a single local governing body working at school level as a Schools' Committee. The trust board continues to provide strategic oversight.

The Competency Framework for Governance was used to complete a skills audit in term one. This identified gaps in our trustee finance and risk management skills. 2 new trustees with appropriate skills were recruited using the Inspiring Governance tool.

Timu Academy Trust
(A company limited by guarantee)

Governance Statement
For the Year Ended 31 August 2020

An external peer review of governance was included in the scope of the CEO triad created with the Kent MAT Alliance (KMA). Data gathering, visits and early discussions had taken place in the first 3 terms of the year, however the review was cut short by the lockdown. It is planned to revisit this work during 20/21, subject to ongoing Covid management demands.

The members/trustees are responsible for setting strategic direction and policy for the trust at a corporate level across the group of academies. The trustees approve a scheme of delegation which covers key functions and levels of responsibility for trustees, the schools' committee and finance committee members in terms of governance and levels of responsibility for senior staff in terms of leadership and management. The committees are:

- The Schools' Committee has a focus on monitoring all educational matters within the academy.
- Finance and Audit Committee

Local Governors and committee members are appointed in accordance with the articles of association to be responsible for the affairs of the company and the management of the academies under the terms of the scheme of delegation along with senior staff.

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to plan and monitor the financial and other resources of the trust effectively, and to ensure the constituent academies provide a safe educational environment. One of the Committee's responsibilities is routine budget setting and monitoring.

The trust does not have a separate audit committee and so the Finance and Audit Committee also fulfills the function of an audit committee, liaising with the external auditors at year end and during the year in respect of their programme of supplementary checks.

Attendance at Finance and Audit meetings in the year was as follows:

Finance Trustee	Meetings attended	Out of a possible
Diane Browning	3	3
Neil Peterson	3	3
Mandy Garner	2	3
Tony Fasusi	1	2

In attendance:

Dee Stacey (Chief Financial Officer)	3	3
Sarah Downes (representing Schools' Committee)	2	2
John White	1	1
Caroline Jennings	1	1
Trudy Langton-Freeman	1	1
Hassan Kamara	1	3

Please note that the scheduling and format of meetings after March 2020 was impacted by the lockdown. Consequently, later TB/FAC meetings were conflated and held remotely (these are not included in the Finance and Audit data above, but are included in the earlier Board of Trustees data).

This was in line with government guidance about governance meetings during lockdown.

Review of Value for Money

As Accounting Officer, the Executive Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Staff resources have been shared across the schools within the trust enabling specialist teaching to be provided to all pupils in French, PE and music.

Timu Academy Trust
(A company limited by guarantee)

Governance Statement
For the Year Ended 31 August 2020

- The trust uses Pro 5 buying groups such as ESPO and YPO and has continued to use a number of framework agreements to ensure best value, such as multi-functional devices, telephone system, water heaters and refuse collections. These have resulted in considerable savings for the trust plus the directors have the reassurance that the contracts are fully compliant. To improve our value for money further we will continue our use of these frameworks where appropriate as existing contracts expire.
- The trust is a member of the Gateway Alliance, a collaboration of local schools established to share practice and develop shared initiatives. The trust has benefited from staff training and development which has been delivered at zero or substantially cheaper cost through the Alliance.
- The trust is a member of the Kent MAT Alliance, a collaboration of local trusts. The business manager group of the KMA has begun the process of identifying opportunities for collaborative working and purchasing, realizing financial benefits for members.
- Additional income is generated for the trust through the hire of school facilities to the benefit of the local community and the management of a very popular breakfast, after school and holiday club. The club is based at Iwade School but is also for the benefit of pupils at the other school within the trust. Centralising the facility in this way contributes to our best value principles.

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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Timu Academy Trust for the year 1 September 2019 to 31 August 2020 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 trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period year to 31 August 2020 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 Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed UHY Hacker Young, the external auditors, to perform additional internal scrutiny checks to 31 August 2020.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

During 2019/20 two internal scrutiny visits were conducted, the second one in July dealt with virtually due to the on-going Covid-19 pandemic, most providing assurance on general operation of key financial systems and controls.

Timu Academy Trust
(A company limited by guarantee)

Governance Statement
For the Year Ended 31 August 2020

UHY Hacker Young have completed their schedule of work as planned. All issues raised have been addressed and the latest review raised no material control issues. Trustees are satisfied with the actions taken to address any issues raised.

Discussions about moving to a themed approach reviewing chosen topics in detail at each visit were taking place at the time Covid-19 struck, and this will be revisited for 2020-21.

The revised FRC Ethical Standard for auditors states that a firm providing external audit to an entity shall not also provide internal audit services to it, subject to transitional arrangements which permit existing audit engagements at 15 March 2020 to conclude. UHY Hacker Young completed the programme of work for 2019/20 under these transitional arrangements. Following a tender exercise, the trustees have chosen to purchase an independent internal audit service from McCabe Ford Williams, another firm of chartered accountants with experience in the academy sector, from 1 September 2020.

Review of Effectiveness

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

- the programme of internal scrutiny work
- the work of the external auditor
- the school resource management self-assessment tool
- 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 their review of the system of internal control by the audit 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 and signed on its behalf by:



Neil Peterson
Chair of Trustees



Diane Browning
Accounting Officer

Date: 3 December 2020

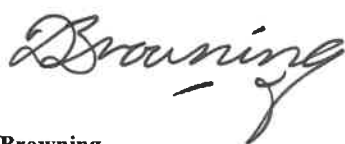
Timu Academy Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Timu Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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.



Diane Browning
Accounting Officer

Date: 3 December 2020

Timu Academy Trust
(A company limited by guarantee)

Statement of trustees' responsibilities
For the year ended 31 August 2020

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

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

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

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

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

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

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



Neil Peterson
Chair of Trustees

Date: 3 December 2020

Independent Auditors' Report on the financial statements to the Members of Timu Academy Trust

Opinion

We have audited the financial statements of Timu Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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 Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Independent Auditors' Report on the financial statements to the Members of Timu Academy Trust (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

Auditors' responsibilities for the audit of the financial statements

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

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 Auditors' report.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Allan Hickie BSc FCA (Senior statutory auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 11/1/21

Independent Reporting Accountant's Assurance Report on Regularity to Timu Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 January 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Timu Academy Trust during the year 1 September 2019 to 31 August 2020 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 Timu Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Timu Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Timu Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Timu Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Timu Academy Trust's funding agreement with the Secretary of State for Education dated 29 May 2014 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of Timu Academy Trust for the year ended 31 August 2020 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Timu Academy Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Timu Academy Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Kent LLP

UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: *11/1/21*

Timu Academy Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	3,926	50	16,708	20,684	60,342
Funding for the academy trust's educational operations	5	4,002	3,444,395	-	3,448,397	3,121,707
Other trading activities	4	210,565	8,060	-	218,625	286,929
Investments	6	8,856	-	-	8,856	8,413
Total income		227,349	3,452,505	16,708	3,696,562	3,477,391
Expenditure on:						
Raising funds		2,310	-	-	2,310	2,173
Charitable activities	8	119,620	3,544,358	147,186	3,811,164	3,504,506
Total expenditure		121,930	3,544,358	147,186	3,813,474	3,506,679
Net income/(expenditure)		105,419	(91,853)	(130,478)	(116,912)	(29,288)
Transfers between funds	19	-	(56,931)	56,931	-	-
Net movement in funds before other recognised gains/(losses)		105,419	(148,784)	(73,547)	(116,912)	(29,288)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	28	-	(352,000)	-	(352,000)	(286,000)
Net movement in funds	19	105,419	(500,784)	(73,547)	(468,912)	(315,288)
Reconciliation of funds:						
Total funds brought forward		930,267	(963,990)	9,655,322	9,621,599	9,936,887
Net movement in funds		105,419	(500,784)	(73,547)	(468,912)	(315,288)
Total funds carried forward	19	1,035,686	(1,464,774)	9,581,775	9,152,687	9,621,599

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 47 form part of these financial statements.

Timu Academy Trust
(A company limited by guarantee)
Registered number: 09022463

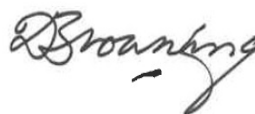
Balance sheet
As at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	9,520,581	9,594,526
Current assets			
Debtors	16	76,293	120,419
Cash at bank and in hand		1,696,336	1,447,183
		<u>1,772,629</u>	<u>1,567,602</u>
Creditors: amounts falling due within one year	17	(262,407)	(235,096)
Net current assets		<u>1,510,222</u>	<u>1,332,506</u>
Total assets less current liabilities		<u>11,030,803</u>	<u>10,927,032</u>
Creditors: amounts falling due after more than one year	18	(30,116)	(32,433)
Net assets excluding pension liability		<u>11,000,687</u>	<u>10,894,599</u>
Defined benefit pension scheme liability	28	(1,848,000)	(1,273,000)
Total net assets		<u><u>9,152,687</u></u>	<u><u>9,621,599</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	19	9,581,775	9,655,322
Restricted income funds	19	383,226	309,010
Pension reserve	19	(1,848,000)	(1,273,000)
Total restricted funds	19	<u>8,117,001</u>	<u>8,691,332</u>
Unrestricted income funds	19	<u>1,035,686</u>	<u>930,267</u>
Total funds		<u><u>9,152,687</u></u>	<u><u>9,621,599</u></u>

The financial statements on pages 21 to 47 were approved and authorised for issue by the trustees and are signed on their behalf, by:



Neil Peterson
Chair of trustees



Diane Browning
Executive Principal and Accounting Officer

Date: 3 December 2020

The notes on pages 24 to 47 form part of these financial statements.

Timu Academy Trust
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	21	299,147	240,874
Cash flows from investing activities	23	(47,677)	(284,283)
Cash flows from financing activities	22	(2,317)	-
		<u>249,153</u>	<u>(43,409)</u>
Change in cash and cash equivalents in the year		249,153	(43,409)
Cash and cash equivalents at the beginning of the year		1,447,183	1,490,592
Cash and cash equivalents at the end of the year	24, 25	<u>1,696,336</u>	<u>1,447,183</u>

The notes on pages 24 to 47 form part of these financial statements

Notes to the financial statements
For the year ended 31 August 2020

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Timu Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

Notes to the financial statements
For the year ended 31 August 2020

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

1.7 Tangible fixed assets

Individual assets and group purchases on one purchase order (or made as part of an individual project) costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Notes to the financial statements
For the year ended 31 August 2020

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- 125 years (the term of the lease)
Leasehold improvements	- 10% straight line
Furniture and equipment	- 25% straight line
Computer equipment	- 33.33% straight line

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.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

Notes to the financial statements
For the year ended 31 August 2020

1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

Notes to the financial statements
For the year ended 31 August 2020

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

For 2019-20 there has been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) The "McCloud/Sargeant judgement". This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material. This was reflected in the prior year as a past service cost, within staff costs, and detailed in note 28, of £41,000.

On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. The consultation closed on 8 October 2020 and the final remedy will only be known after the consultation responses have been reviewed and a final set of remedial Regulations are published.

(2) Goodwin case. Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS.

Briefing notes provided by the actuary have indicated they expect the impact will be minimal for LGPS funds.

(3) Guaranteed Minimum Pension (GMP). On 22 January 2018, the Government published the outcome to its Indexation and equalisation of GMP in public service pension schemes consultation, concluding that the requirement for public service pension schemes to fully price protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 6 April 2021. HM Treasury published a Ministerial Direction on 4 December 2018 to implement this outcome, with effect from 6 April 2016.

Briefing notes provided by the actuary have indicated they do not expect to make any adjustments to the value placed on the liabilities as a result of the above outcome.

(4) Discount rates. There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced which has resulted in a higher value being placed on the defined benefit obligation. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

(5) Mortality assumptions. Details of the changes in mortality assumptions are shown in note 28. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions have been updated in line with those adopted for the Fund's 2019 actuarial valuation which anticipates a reduction in projected life expectancies. The lower life expectancy assumptions result in a lower value being placed on the defined benefit obligation. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

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Notes to the financial statements
For the year ended 31 August 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	3,926	50	-	3,976	14,764
Capital grants	-	-	16,708	16,708	45,578
	<u>3,926</u>	<u>50</u>	<u>16,708</u>	<u>20,684</u>	<u>60,342</u>
<i>Analysis of 2019 total by fund</i>	<u>14,504</u>	<u>260</u>	<u>45,578</u>	<u>60,342</u>	

4. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Clubs	176,508	-	176,508	242,675
Lettings	8,026	-	8,026	13,231
Income from goods and services	10,918	-	10,918	7,673
Fundraising	9,113	-	9,113	10,396
Insurance claims	-	8,060	8,060	4,954
Other	6,000	-	6,000	8,000
	<u>210,565</u>	<u>8,060</u>	<u>218,625</u>	<u>286,929</u>
<i>Analysis of 2019 total by fund</i>	<u>281,975</u>	<u>4,954</u>	<u>286,929</u>	

Notes to the financial statements
For the year ended 31 August 2020

5. Funding for the academy trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,690,403	2,690,403	2,464,851
Other DfE/ESFA grants	-	453,823	453,823	333,368
	-	3,144,226	3,144,226	2,798,219
Other government grants				
Local authority SEN funding	-	207,371	207,371	162,537
Other local authority grants	-	84,018	84,018	111,730
	-	291,389	291,389	274,267
Other funding				
School trips	4,002	-	4,002	46,082
Other	-	2,556	2,556	3,139
	4,002	2,556	6,558	49,221
Exceptional government funding				
Coronavirus exceptional support	-	6,224	6,224	-
	-	6,224	6,224	-
	4,002	3,444,395	3,448,397	3,121,707
<i>Analysis of 2019 total by fund</i>	46,082	3,075,625	3,121,707	

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £6k of costs relating to Covid-19 such as cleaning, first aid and caretaking supplies, FSM vouchers and a marquee. These costs are included in notes 7 and 9 below as appropriate.

Notes to the financial statements
For the year ended 31 August 2020

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Bank interest	8,856	8,856	8,413
<i>Analysis of 2019 total by fund</i>	8,413	8,413	

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	<i>Total 2019 £</i>
Expenditure on fundraising trading activities:					
Direct costs	-	-	2,310	2,310	2,173
Educational operations:					
Direct costs	2,526,964	115,458	185,350	2,827,772	2,580,339
Allocated support costs	561,181	150,718	271,493	983,392	924,167
	3,088,145	266,176	459,153	3,813,474	3,506,679
<i>Analysis of 2019 total</i>	2,766,844	220,533	519,302	3,506,679	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Educational operations	119,620	3,691,544	3,811,164	3,504,506
<i>Analysis of 2019 total by fund</i>	171,000	3,333,506	3,504,506	

Notes to the financial statements
For the year ended 31 August 2020

9. Analysis of expenditure by activities

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	<i>Total</i> <i>funds</i> <i>2019</i> <i>£</i>
Educational operations	2,827,772	983,392	3,811,164	3,504,506
<i>Analysis of 2019 total</i>	<i>2,580,339</i>	<i>924,167</i>	<i>3,504,506</i>	

Analysis of support costs

	Total funds 2020 £	<i>Total</i> <i>funds</i> <i>2019</i> <i>£</i>
Staff costs	561,181	509,610
Premises costs	150,718	125,974
Technology costs	49,994	43,803
Legal costs	7,343	5,702
Other support costs	204,221	227,988
Governance costs	9,935	11,090
	983,392	924,167

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	<i>2019</i> <i>£</i>
Operating lease rentals	12,465	14,826
Depreciation of tangible fixed assets	147,187	126,873
Fees paid to auditors for:		
- audit	7,230	7,000
- other services	2,210	3,375

Notes to the financial statements
For the year ended 31 August 2020

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	<i>2019</i>
	£	£
Wages and salaries	2,194,511	2,071,618
Social security costs	167,128	155,777
Pension costs	689,450	539,449
	<u>3,051,089</u>	<u>2,766,844</u>
Staff restructuring costs	37,056	-
	<u><u>3,088,145</u></u>	<u><u>2,766,844</u></u>

Staff restructuring costs comprise:

Severance payments	37,056	-
	<u><u>37,056</u></u>	<u><u>-</u></u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £24,000.

c. Staff numbers

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

	2020	<i>2019</i>
	No.	No.
Teachers	36	36
Administration and support	78	71
Management	6	6
	<u>120</u>	<u>113</u>
	<u><u>120</u></u>	<u><u>113</u></u>

The average headcount expressed as full-time equivalents was:

	2020	<i>2019</i>
	No.	No.
Teachers	32	32
Administration and support	48	44
Management	5	6
	<u>85</u>	<u>82</u>
	<u><u>85</u></u>	<u><u>82</u></u>

Notes to the financial statements
For the year ended 31 August 2020

11. Staff (continued)

d. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
	<u>1</u>	<u>-</u>

e. 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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £408,311 (2019 - £407,313).

12. Central services

The academy trust has provided the following central services to its academies during the year:

- Finance and audit
- HR and payroll
- Health and safety support and audit
- Legal support
- Clerking
- Leadership coaching

The academy trust charges for these services on the following basis:

6.06% of pupil, other factors and re-organisation funding (Iwade only).

The actual amounts charged during the year were as follows:

	2020	<i>2019</i>
	£	<i>£</i>
Iwade School	121,174	113,727
Bobbing Village School	46,442	47,151
Total	<u>167,616</u>	<u>160,878</u>

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Notes to the financial statements
For the year ended 31 August 2020

13. Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Executive Principal and other staff trustees only receive remuneration in respect of services they provide under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
Diane Browning	Remuneration	80,000 - 85,000	45,000 - 50,000
	Pension contributions paid	15,000 - 20,000	5,000 - 10,000

Diane Browning was appointed as Executive Principal on 1 January 2019 during the previous year. Details of the salary paid to her predecessor in that year are disclosed in the 2019 financial statements.

During the year ended 31 August 2020, no trustee expenses have been incurred (2019 - £Nil).

14. Trustees' and Officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

15. Tangible fixed assets

	Long-term leasehold land and buildings £	Leasehold improvements £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2019	9,279,413	544,754	101,084	74,981	133,599	10,133,831
Additions	-	40,490	11,809	5,587	15,355	73,241
At 31 August 2020	9,279,413	585,244	112,893	80,568	148,954	10,207,072
Depreciation						
At 1 September 2019	283,465	106,753	-	49,939	99,148	539,305
Charge for the year	60,982	54,475	-	16,485	15,244	147,186
At 31 August 2020	344,447	161,228	-	66,424	114,392	686,491
Net book value						
At 31 August 2020	8,934,966	424,016	112,893	14,144	34,562	9,520,581
At 31 August 2019	8,995,948	438,001	101,084	25,042	34,451	9,594,526

Included in land and buildings is leasehold land at valuation of £1,695,000 (2019 - £1,695,000) which is not depreciated.

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Notes to the financial statements
For the year ended 31 August 2020

16. Debtors

	2020	<i>2019</i>
	£	<i>£</i>
Trade debtors	20,068	17,758
Other debtors	15,041	27,892
Prepayments and accrued income	41,184	74,769
	<u>76,293</u>	<u>120,419</u>

17. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£	<i>£</i>
Other loans	4,633	4,633
Trade creditors	86,655	77,230
Other taxation and social security	38,334	39,200
Other creditors	340	2,455
Accruals and deferred income	132,445	111,578
	<u>262,407</u>	<u>235,096</u>

	2020	<i>2019</i>
	£	<i>£</i>
Deferred income at 1 September 2019	96,766	96,418
Resources deferred during the year	82,818	96,766
Amounts released from previous periods	(96,766)	(96,418)
	<u>82,818</u>	<u>96,766</u>

At the balance sheet date the academy trust was holding funds received in advance of the 2020/21 academic year for ESFA UIFSM and rates relief funding.

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Notes to the financial statements
For the year ended 31 August 2020

18. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Other loans	30,116	32,433

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020	2019
	£	£
Payable or repayable by installments	13,900	13,900

The academy trust took out a Salix loan in 2018 to fund improvement of the boilers at Iwade Primary School. The loan is interest free and due to be fully repaid in 2027.

Notes to the financial statements
For the year ended 31 August 2020

19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General fund	930,267	227,349	(121,930)	-	-	1,035,686
Restricted general funds						
General Annual Grant (GAG)	291,978	2,690,403	(2,561,069)	(99,565)	-	321,747
Other DfE/ESFA grants	14,765	460,047	(429,427)	9,138	-	54,523
Other government grants	-	291,389	(300,868)	14,183	-	4,704
Other restricted	2,267	10,666	(29,994)	19,313	-	2,252
Pension reserve	(1,273,000)	-	(223,000)	-	(352,000)	(1,848,000)
	(963,990)	3,452,505	(3,544,358)	(56,931)	(352,000)	(1,464,774)
Restricted fixed asset funds						
Fixed assets	9,594,526	-	(147,186)	73,241	-	9,520,581
DfE/ESFA capital grants	97,862	16,708	-	(18,627)	-	95,943
Salix Loan	(37,066)	-	-	2,317	-	(34,749)
	9,655,322	16,708	(147,186)	56,931	-	9,581,775
Total Restricted funds	8,691,332	3,469,213	(3,691,544)	-	(352,000)	8,117,001
Total funds	9,621,599	3,696,562	(3,813,474)	-	(352,000)	9,152,687

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

General Annual Grant (GAG) must be used for the normal running costs of the academy. Transfers to/from GAG include a transfer of £56,931 out to the restricted fixed asset fund (representing capital expenditure from revenue funding in the year and the Salix loan repayment). The balance of transfers relates to movement between GAG and other restricted funds.

The other DfE/ESFA grants fund is used to track non-GAG grants provided by the DfE and related bodies and this year relates mainly to Pupil Premium and Universal Infant Free School Meals.

The other government grants fund is used to track grants provided by government departments and includes Individually Assigned Resources (IAR) matrix funding and reorganisation funding.

The pensions reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation

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Notes to the financial statements
For the year ended 31 August 2020

19. Statement of funds (continued)

charges that will be required on these projects going forward and the current fixed assets held. The total transfer to the fund of £56,931 represents capital expenditure funded from the GAG fund and the Salix loan repayment.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	<i>2019</i> <i>£</i>
Iwade Primary School	751,403	624,081
Bobbing Village School	524,707	492,322
Central	142,802	122,874
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,418,912	1,239,277
Restricted fixed asset fund	9,581,775	9,655,322
Pension reserve	(1,848,000)	(1,273,000)
	<hr/>	<hr/>
Total	9,152,687	9,621,599
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	<i>Total 2019</i> <i>£</i>
Iwade Primary School	1,876,673	176,737	57,370	303,362	2,414,142	2,133,938
Bobbing Village School	650,291	54,683	32,940	124,686	862,600	840,368
LGPS	-	223,000	-	-	223,000	186,000
Central services	-	106,761	4,822	54,963	166,546	219,499
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy trust	2,526,964	561,181	95,132	483,011	3,666,288	3,379,805
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Notes to the financial statements
For the year ended 31 August 2020

19. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General fund	752,466	350,974	(173,173)	-	-	930,267
Restricted general funds						
General Annual Grant (GAG)	280,498	2,464,851	(2,333,680)	(119,691)	-	291,978
Other DfE/ESFA grants	41,071	333,368	(383,955)	24,281	-	14,765
Other government grants	-	274,267	(276,228)	1,961	-	-
Other restricted	2,000	8,353	(25,054)	16,968	-	2,267
Pension reserve	(801,000)	-	(186,000)	-	(286,000)	(1,273,000)
	(477,431)	3,080,839	(3,204,917)	(76,481)	(286,000)	(963,990)
Restricted fixed asset funds						
Fixed assets	9,383,125	-	(128,589)	339,990	-	9,594,526
DfE/ESFA capital grants	315,793	45,578	-	(263,509)	-	97,862
Salix Loan	(37,066)	-	-	-	-	(37,066)
	9,661,852	45,578	(128,589)	76,481	-	9,655,322
Total Restricted funds	9,184,421	3,126,417	(3,333,506)	-	(286,000)	8,691,332
Total funds	9,936,887	3,477,391	(3,506,679)	-	(286,000)	9,621,599

Notes to the financial statements
For the year ended 31 August 2020

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	9,520,581	9,520,581
Current assets	1,035,686	641,000	95,943	1,772,629
Creditors due within one year	-	(257,774)	(4,633)	(262,407)
Creditors due in more than one year	-	-	(30,116)	(30,116)
Provisions for liabilities and charges	-	(1,848,000)	-	(1,848,000)
Total	1,035,686	(1,464,774)	9,581,775	9,152,687

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	9,594,526	9,594,526
Current assets	930,267	539,473	97,862	1,567,602
Creditors due within one year	-	(230,463)	(4,633)	(235,096)
Creditors due in more than one year	-	-	(32,433)	(32,433)
Provisions for liabilities and charges	-	(1,273,000)	-	(1,273,000)
Total	930,267	(963,990)	9,655,322	9,621,599

Notes to the financial statements
For the year ended 31 August 2020

21. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(116,912)	(29,288)
Adjustments for:		
Depreciation	147,186	126,873
Capital grants from DfE and other capital income	(16,708)	(45,578)
Interest receivable	(8,856)	(8,413)
Defined benefit pension scheme cost less contributions payable	200,000	166,000
Defined benefit pension scheme finance cost	23,000	20,000
Decrease/(increase) in debtors	44,126	(1,624)
Increase in creditors	27,311	12,904
Net cash provided by operating activities	299,147	240,874

22. Cash flows from financing activities

	2020 £	2019 £
Repayments of borrowing	(2,317)	-

23. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	8,856	8,413
Purchase of tangible fixed assets	(73,241)	(338,274)
Capital grants from DfE Group	16,708	45,578
Net cash used in investing activities	(47,677)	(284,283)

24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	359,665	414,135
Notice deposits (less than 3 months)	1,336,671	1,033,048
Total cash and cash equivalents	1,696,336	1,447,183

Notes to the financial statements
For the year ended 31 August 2020

25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,447,183	249,153	1,696,336
Debt due within 1 year	(4,633)	-	(4,633)
Debt due after 1 year	(32,433)	2,317	(30,116)
	<u>1,410,117</u>	<u>251,470</u>	<u>1,661,587</u>

26. Contingent liabilities

The trust has a contingent liability in respect of term time only workers' annual leave. During the year certain trades unions began looking at potentially making claims against Kent based education employers regarding the calculation of term time only workers' annual leave. This is on the back of settlements they have made in other local authorities for their members regarding changing the calculation and back pay.

Whilst the academy trust is free to set its own pay rates, in common with most academies it closely follows the local authority scales. The Kent County Council (KCC) 'Kent Scheme' Pay Scales were amended from 1 April 2020 following a change to the way leave for term time only staff is calculated and the trust has followed by altering its own approach. KCC has received representations that there is a wish to make a settlement on back pay as the unions believe their members have been historically underpaid. KCC is resisting making any collective settlement and is encouraging individual employer schools and academies to do likewise.

The unions are attempting to bring the issue to their members and encouraging them to make a claim in the Employment Tribunal. If this is successful the trust may be liable. At the date of approval of these financial statements it is unclear (i) whether a back settlement liability may exist, (ii) if does how many years back this may go, and (iii) whether the liability or share of the liability would sit with KCC.

27. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	129,050	137,969

28. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 31 March 2019.

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

Notes to the financial statements
For the year ended 31 August 2020

28. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £293,000 (2019 - £204,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £221,000 (2019 - £188,000), of which employer's contributions totalled £173,000 (2019 - £147,000) and employees' contributions totalled £ 48,000 (2019 - £41,000). The agreed contribution rates for future years are 21.0 per cent from April 2021 and 22.5 per cent from April 2022 for employers and 5.5 to 12.5 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 academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Notes to the financial statements
For the year ended 31 August 2020

28. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.65
Rate of increase for pensions in payment/inflation	2.25	2.15
Discount rate for scheme liabilities	1.65	1.90
Inflation assumption (CPI)	2.25	2.15

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

	2020	2019
	Years	Years
Retiring today		
Males	21.8	22.1
Females	23.8	24.0
Retiring in 20 years		
Males	23.2	23.7
Females	25.2	25.8

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(99)	(74)
Discount rate -0.1%	102	76
Mortality assumption - 1 year increase	127	89
Mortality assumption - 1 year decrease	(123)	(86)
CPI rate +0.1%	95	67
CPI rate -0.1%	(92)	(65)

The academy trust's share of the assets in the scheme was:

	2020	2019
	£	£
Equities	1,111,000	944,000
Gilts	12,000	10,000
Corporate bonds	221,000	125,000
Property	188,000	162,000
Cash and other liquid assets	52,000	37,000
Investment funds	131,000	108,000
Total market value of assets	1,715,000	1,386,000

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Notes to the financial statements
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28. Pension commitments (continued)

The actual return on scheme assets was £112,000 (2019 - £57,000).

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

	2020 £	2019 £
Current service cost	(372,000)	(271,000)
Past service cost	-	(41,000)
Interest income	28,000	33,000
Interest cost	(51,000)	(53,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the Statement of financial activities	(396,000)	(333,000)

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

	2020 £	2019 £
At 1 September	2,659,000	1,951,000
Current service cost	372,000	271,000
Interest cost	51,000	53,000
Employee contributions	48,000	41,000
Actuarial losses	441,000	310,000
Benefits paid	(8,000)	(8,000)
Past service costs	-	41,000
At 31 August	3,563,000	2,659,000

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	1,386,000	1,150,000
Interest income	28,000	33,000
Actuarial gains	89,000	24,000
Employer contributions	173,000	147,000
Employee contributions	48,000	41,000
Benefits paid	(8,000)	(8,000)
Administration expenses	(1,000)	(1,000)
At 31 August	1,715,000	1,386,000

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Notes to the financial statements
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29. Operating lease commitments

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	9,880	12,738
Later than 1 year and not later than 5 years	16,001	9,334
	<u>25,881</u>	<u>22,072</u>

30. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

31. Related party transactions

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

The following related party transactions took place during the year:

Expenditure Related Party Transactions

During the year the following close family members of key management personnel were employed by the trust and paid a salary under an employment contract for their individual roles:

Mrs. S. Adcock - SEN Teaching Assistant - Wife of Simon Adcock a member of the Trust. Sarah Adcock was an employed member of staff before Simon Adcock became a member of the Trust.

Ms. T. Wood, a close personal friend of the Accounting Officer, Mrs. D. Browning, is employed by the academy trust as a strategic lead. Ms. Wood's appointment was made in open competition and Mrs. Browning was not involved in the decision-making process regarding appointment. Ms. Wood is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship with Mrs. Browning.

Mr. I. Stewart - Cleaner - Husband of Katrine Stewart the headteacher at Bobbing. Mr. Stewart's appointment was made in open competition and Mrs. Stewart was not involved in the decision-making process regarding appointment. Mr. Stewart is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship with Mrs. Stewart.

32. Controlling party

The academy trust is run by the management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.