

Company Registration No. 07982516 (England and Wales)

KINGS ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

KINGS ACADEMY TRUST

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KINGS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	L Cooper (Chair of trustees) Cllr J Collinson S W Balme (resigned 31 August 2021) J Owen (to 20 September 2020, then governor) M Burgin J Bond (from 1 September 2020) L Smith (from 20 January 2021) E Twell (from 20 January 2021) A Nicholson (accounting officer)(appointed 21 October 2021)
Members	L Cooper S Wild C Harrison (resigned 12 March 2021) S Whatmore (from 26 March 2021) S Woodgate (from 26 March 2021)
Senior Management Team	
- CEO / Executive Principal / Accounting Officer	A Nicholson
- Head Teacher – Oakwood Academy	L Southwood
- Deputy Head – Oakwood Academy	A Stobart
- Assistant Head – Oakwood Academy	D Jones
- School Business Manager – Oakwood Academy	A Rose
- Head Teacher – The Kassia Academy	L Regan
- Chief Operating Officer	D Donnelly
- Finance Director – Interim	C Jones (to 31 August 2021)
- Finance Director - Permanent	J Poole (from 1 September 2021)
Company Name	Kings Academy Trust
Company Registration Number	07982516 (England and Wales)
Registered Office	Chatsworth Road Eccles Manchester, M30 9DY
Independent Auditor	Haines Watts Bridge House Ashley Road Hale Altrincham, WA14 2UT
Bankers	Lloyds Bank Plc King Street Manchester, M2 3AU
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham, NG2 1BJ

KINGS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their report with the financial statements of the charitable company for the year ended 31 August 2021. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The academy trust operates two academies for pupils aged 9 to 19 serving a catchment area covering Greater Manchester and Warrington. Local Authority commissioned pupil numbers of 326 were agreed for September 2021 intake.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Kings Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as two academies: Oakwood Academy and The Kassia Academy. Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Principal activities

Kings Academy Trust converted to academy trust status on 1 May 2012 at which point the entity's current operations commenced. The academy trust's principal activities are to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while he/she is a member, or within one period after he/she ceases 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

In accordance with normal commercial practice the academy has purchased professional Indemnity and directors' and officers' insurance to protect the trustees and officers from claims arising from negligence, errors or omissions occurring whilst on academy business. Further details are disclosed in note 11.

Method of recruitment and appointment or election of trustees

The members of the trust are responsible for the appointment of trustees except the parent trustees and staff trustees who will be appointed through an election process directed by the board of trustees. The number of trustees shall be not less than three and shall not be subject to a maximum.

Policies and procedures adopted for the induction and training of trustees

Trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to the academy trust, attend a briefing and receive an induction pack on the role and responsibilities of trustees that is provided via a service level agreement with Governor Services.

During the year, trustees were offered all necessary training.

Organisational structure

The governance of the academy trust is defined in the memorandum and articles of association together with the funding agreement with the Department for Education.

All trustees are members of the board of trustees. In addition, trustees are members of committees which report to the board of trustees. The board of trustees meets once each term to receive reports from its sub-committees and manage its strategic objectives. The board has four sub-committees:

- Finance and Audit and HR, which meets half termly to consider the academy trust's budgets and financial performance;
- HR and Personnel, which meets half termly to consider staffing matters including absence and remuneration;
- Pay Committee, which meets once a year to consider the pay recommendations and remuneration; and
- Pupil Outcomes Committee, which meets termly to discuss key issues affecting pupils.

KINGS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The day to day management is delegated to the Chief Executive Officer, who has appointed a senior leadership team, which meets weekly to ensure operational activities are carried out effectively and day to day responsibilities are delegated accordingly.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel performance management reviews are held on a termly basis, culminating in the final review which is presented to the pay committee in the first available meeting of the new academic year. In order to determine the pay recommendations to the pay committee: the performance management reviews for the executive management team are held with a panel of three governors and the executive principal. The executive team members are invited to present to the panel. All recommendations are presented to the pay committee. The executive principal, head of school and chair meet to review the performance of the remaining senior leadership team and all recommendations are again presented to the pay committee.

Trade union facility time

There were no relevant union officials during 2020/21 and consequently there was no time or pay bill spent on either facility time or any paid trade union activities.

Related parties and other connected charities and organisations

Kings Academy Trust is not connected to any other organisations as defined by the relevant Charities SORP with which it has transacted. The members, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

Objectives and activities

Objects and aims

The academy trust's object is to advance for the public benefit education for children aged 9 to 19 by establishing, maintaining, carrying on, managing and developing an academy offering a broad and balanced curriculum.

The trustees' vision is to create a culture of success to extend lifetime opportunities for young people and to do everything possible to encourage this.

Pupils and students are offered a supportive, positive and dynamic learning environment that enables them to focus on their studies and extra-curricular activities. As a result, students achieve academic and technological excellence and extend their sporting, artistic and musical accomplishments.

The academy trust fosters personal development that helps students to find meaning in their lives and respond with creativity and determination to the challenges that arise through the rapid pace of social change.

Objectives, strategies and activities

The academy trust's objective for the year ended 31 August 2021 was to raise the attainment level of all students through care and well-being, curriculum structure, teaching and learning, and leadership development.

Admission:	Oakwood Academy is commissioned by the local authority (Salford Council) for 190 Pre 16 places KS2 to KS4 places. The academy is commissioned by the local authority for 90 places which include both Post 16 KS5 places and the internship programme. Kassia Academy is commissioned by the local authority (Warrington Council) to provide 46 places.
Permanent exclusions:	The aim is to have exclusions only in exceptional circumstances. Kings Academy Trust had no permanent exclusions during the period from 1 September 2020 to 31 August 2021. During the same period there were no fixed term exclusions.
Staffing:	The average number of (full time equivalent) staff employed during the year to 31 August 2021 was 92.

KINGS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Public benefit

The academy trust will promote for the benefit of local inhabitants the provision of facilities for recreation or other leisure activities. Provision will be made for individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances and for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

As with the previous year, Covid-19 had a huge bearing on academic performance. No exams have taken place at Oakwood due to the ongoing lockdowns, and King's Academy Trust was responsible for submitting Centre Assessed Grades (CAGs).

One significant achievement during the year was an additional educational establishment, The Kassia Academy, joining the trust on 1 November 2020, following a re-brokerage exercise from TBAP. The Kassia Academy is an Alternative Provision Academy supporting children with social, emotional and mental health needs, who have been identified as being at risk of exclusion, harm or have already been excluded from mainstream education.

A separate company has been created for which Kings Academy Trust is the sole member. This company, The Excell Hubb, offers a programme of life skills and activities to a small cohort of 19-25 year-olds. The programme is funded via a combination of charitable donations and contributions from parents. The use of Kings Academy Trust staff is paid for from the income generated. Income and expenditure figures are included within the accounts.

The academy trust places importance on staff retention and development in order to maintain the highest standards of teaching and learning.

Impact of Covid-19

The trust has experienced both increased costs and savings as a result of the Covid-19 pandemic. The school experienced ongoing closures and only remained fully open throughout to the children of key workers and the vulnerable. Pupil safety was paramount during the year, and with the strict 'bubble' procedure in place it should be noted that the number of positive cases per capital was significantly below national average.

Examples of increased costs include cleaning costs and high levels of staff absence due both to positive tests and necessary self-isolation. However, savings were made against off-site education, PE and school trips.

The catering service at Oakwood Academy was severely impacted, with the initial use of 'grab bags' superseded by use of vouchers for Free School Meals' pupils.

The trust continues to invest heavily in the provision of high-quality remote learning, including live lessons, and IT delivery was enhanced by the provision of laptops from the DfE

Financial review

The trust's financial position for the year to 31 August 2021 demonstrates total income of £6,928,000 (excluding the transfer of funds from Kassia Academy and Support Services). This income received and the associated expenditure are shown as restricted funds in the statement of financial activities.

An operational surplus of £803,000 (excluding restricted fixed asset funds and movement on the pension reserve) was declared for the year ended 31 August 2021.

At 31 August 2021, the net book value of tangible fixed assets was £2,267,000 and movements in tangible fixed assets are shown in note 12 to the financial statements. A significant increase to the value of fixed assets resulted from the incorporation of The Kassia Academy into the trust. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the trust.

KINGS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Key performance indicators

The Trust monitors financial and non-financial performance against a number of Key Performance Indicators (KPIs). The KPIs used for the financial year 2020/21 are: -

▪ **Financial**

1. General reserves at year end to be a minimum of one month's GAG (in line with reserves' policy).
Target met. General reserves at year end totalled £1,593k which was above the August 2021 GAG income of £209,167.
2. Cash in bank to be above £250k at all times.
Target met. Minimum bank balance during year = £1,212k
3. Overall financial performance to match or exceed budget.
Target met. Financial year realised a general reserves surplus of £319k against the budgeted surplus of £84k
4. Staff costs to be between 60% and 70% of total grant income.
Target met. Staff costs for the year corresponded to 64.7% of income.

▪ **Non-Financial**

1. Pupil attendance - unauthorised absences to be below 5% for Oakwood and below 15% for Kassia.
Target met. Total unauthorised absences for Oakwood during the year was 2.8%. Total unauthorised absences for Kassia during the year was 14.7%.
2. All OFSTED inspections during the period to be at least 'Good'.
Target met. No inspections during the year. Current OFSTED rating of Oakwood is 'Outstanding' based on an inspection in November 2017. Kassia Academy has not been subject to an OFSTED inspection. As New Horizons Academy (prior to joining Kings Academy Trust), the school was rated 'Good' in an inspection of September 2013.
3. Total pupil numbers to be higher than for the previous year.
Target met. Actual numbers on roll vary throughout the year, particularly at Kassia where places are commissioned prior to being filled. Commissioned numbers across the Trust increased from 230 in 2019/20 to 326 in 2020/21.
4. All schools to be on a downward trajectory for number of fixed term exclusions.
N/A. No comparable data for 2019/20. Oakwood had no fixed-term exclusions during the period. At Kassia, 12 pupils were excluded in 18 instances for a total of 30.5 days.

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.

Reserves policy

The trustees review the reserve levels of the academy trust annually as per the policy. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Historically, trustees have determined that the appropriate level of general reserves (restricted and unrestricted) should be equivalent to one month of the GAG, approximately £272,000, to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies. The reserves policy is currently under review to ensure it remains appropriate.

As at 31 August 2021 the academy trust held restricted general funds (excluding pension reserve) of £1,029,000, plus unrestricted reserves of £562,000.

The funds balances, before fixed assets funds and pension reserves, are broken down into a surplus of £1,708,000 for Oakwood Academy, a deficit of £196,000 for Kassia Academy and Support Services, a surplus of £81,000 for central trust and a deficit of £2,000 for The Excell Hubb. This gives a total of £1,591,000 as above.

Additionally, the trust held restricted fixed asset reserves of £2,638,000, which amount can only be realised by disposing of the related tangible fixed assets. This comprises of £2,267,000 net book value of assets plus £371,000 unspent CIF grants.

The deficit against local government pension schemes at 31 August 2021 was £3,695k. The impact of this deficit on cash flows will be in the form of adjustments to the employers' pension contributions over future years.

KINGS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

A strategic capital plan has been prepared and reviewed by the trustees in order that reserves can be prioritised and spent according to the needs of the academy trust.

Reserves carried forward at 31 August 2021 are above the stated level in the reserves policy. A proportion of the reserves will be utilised as part of the medium and long term plans of the academy trust to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and extend facilities which includes the replacement of the MUGA at the Oakwood site. Spend against reserves that was budgeted in 2020/21 has been delayed due to the impact of Covid-19, with these projects now taking place in 2021/22. The reserves will also be available to support the growth of the trust.

Investment policy

The policy of Kings Academy Trust is to invest surplus funds only in risk free deposits with well known "high street" institutions in order to minimise risk. The director of business and finance is required periodically (at least annually) to review interest rates and compare with other similar investment opportunities. Any decision to invest will have due regard to the liquidity requirements of the academy trust. Changes to this policy require the approval of trustees via the Finance and Audit Committee.

Principal risks and uncertainties

Kings Academy Trust has adopted a risk management policy and risk review process. The risk registers are scrutinised by the Finance and Audit committee each term, and by the trust board each year. The objectives will be to determine an approach and where it is considered necessary, put in place measures of control and mitigation in order to manage risk.

The impact of Covid-19 is also recognised and the trust has detailed risk assessments in place. Contingency budgets have been built into the school budget to try to absorb additional operational costs.

The additional principal risks are seen as the loss of reputation through falling standards, falling student rolls and failure to safeguard our students.

Key controls in place are:

- the review of the current organisational structure and the defined roles, responsibilities and authorisation levels;
- terms of reference for the committees of the board of trustees;
- financial planning, budgeting and regular management reporting highlighting areas of financial risk;
- detailed analysis of all data on a regular basis;
- robust internal controls across all financial processes to ensure continued rigour across the academy;
- formal written and published policies for employees;
- vetting procedure as required by law for the protection of the vulnerable; and
- adherence to the Academies Financial Handbook to ensure that all 'musts' are employed without exception.

The academy trust has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with FRS102. A deficit has been recognised at 31 August 2021. Future contribution rates are adjusted by the scheme managers so as to reduce this deficit.

Fundraising

The academy approaches fundraising through its Friends of Oakwood group. This has been very successful in lifting parental engagement across the whole school. There are many planned events such as the Halloween disco, the Christmas Fair and other such events. This runs as a charity organisation associated with the academy that follows PTA standards. There are no direct commercial participators that work with the PTA. All information is always shared with the school community through letters and other forms of social media. The trust has not received any complaints relating to this fundraising over the 2019-20 period.

The academy monitors the fundraising carried out on its behalf in monthly meetings, with a member of the SLT present, that are minuted to ensure that the PTA acts reasonably in its fundraising approaches, confirming that it does not unduly pressure the community to donate.

Whilst Covid 19 measures have impacted on the Friends of Oakwood ability to hold all of its annual events, this has affected the trust from a social and engagement perspective, rather than financially. The Friends expect to resume activities as soon as Covid restrictions allow.

KINGS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

Kings Academy Trust became a multi academy trust in July 2015 and a sponsor academy in July 2018. In Spring the trust was informed that it had been successful in its application to open a free school in Salford. The Acorn Academy ASD provision is expected to open in September 2023. The trust welcomed The Kassia Academy in November 2020 following a re-brokerage. The academy, based in Warrington, is a secondary Alternative Provision unit. The trust intends to further increase in size with a revised growth strategy to be agreed by trustees.

Three year strategic plan

- To provide outstanding educational provision for all our learners including the 6th form students and Y5/6 provision.
- To develop a successful multi academy trust with effective governance.
- To develop our SEND provision for ASC or those needing such an approach.

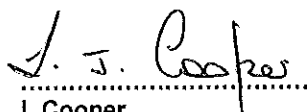
Auditor

In so far as the trustees are aware:

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

The audit business Haines Watts has been appointed as the company's auditor. The audit report has therefore been issued by Haines Watts.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2021 and signed on the board's behalf by:



L Cooper
Chair of trustees

KINGS ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Kings 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 chief executive, 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 Kings 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.

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 three times during the period. Attendance during the meetings of the board of trustees was as follows:

Full board of trustees' meetings

Trustees	Meetings attended	Out of possible
L Cooper (Chair)	2	3
J Collinson	3	3
S Baime	3	3
M Burgin	2	3
J Bond	1	3
E Twell	1	2
L Smith	1	2
A Nicholson (Associate Member)	3	3

There have been a number of changes to the composition of the board over the last 12-18 months. These have largely been made with a view to increase effectiveness by reassigning individuals as members, trustees or local governors as appropriate. Consequently, the trust has retained skills and knowledge across the overall governance function. The board has been strengthened with three new trustees, whose skills and knowledge include HR, educational leadership and specific key areas of expertise (SEMH, alternative provision, special schools, and knowledge of the local context of Warrington). There has been a resignation of one board member, which was linked to workload outside the trust.

Areas covered at board meetings during the year include: -

- Oversight of work carried out by the CEO, sub-committees and LGB hub in accordance with the scheme of delegation.
- Monitoring of KPIs and educational performance.
- The work of the trust's responsible officer and external audit.
- Consideration of trust strategies including mission statement, aims and objectives.
- New and ongoing projects including the free school bid and Excell Hubb.
- Oversight of Policies.

Covid-19 has provided an ongoing challenge to the operations of the board, and all meetings held during the year have been attended remotely. However, the IT infrastructure and processes in place ensured that the meetings ran smoothly and effectively without impediment.

Trustees are satisfied that the data used by the board is accurate through a variety of means. Typically, the data presented have been independently verified, either externally or internally as appropriate. For example, pupil performance information has been produced directly from trust MIS systems, and previously presented to the Senior Leadership Team and local governing board. Robust challenge of data is encouraged at all levels.

KINGS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Governance review

The board undertakes an annual self-evaluation and skills review. Throughout 2020/21, the board has focussed on ensuring that the governance structure for the trust will be appropriate to ensure effective management and oversight as the multi-academy trust grows. There has been continued development of roles and responsibilities, including delegated responsibilities at each level of governance.

Finance and Audit Committee

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to report to the full board of trustees on a timely basis regarding the finances of the academy trust, enabling the board to maintain effective oversight of funds. Attendance at meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
L Cooper (Chair)	4	6
Cllr J Collinson	6	6
S Balme	6	6
A Nicholson (Associate Member)	6	6

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the multi-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 multi-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 available.

The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Continued development of the ICT infrastructure to enable economic, effective and efficient suitability to the operational running of the school and ensuring all pupils have access to the up to date technology. This has included transferring IT support to a new provider (EDAC Solutions).
- Successful implementation of educational software to enhance the delivery of the literacy curriculum across the whole school.
- Enabling all teaching staff to access further career development such as PhD qualification, NPQH, Middle Leader qualifications.
- Consolidation of premises' maintenance support to one provider (SPIE).

The trustees, via the authority delegated to the Audit and Finance Committee, are strongly involved in the financial management of the academy trust, challenging where appropriate to ensure strong financial governance. The multi-academy trust's internal financial procedures demand that all budget holders seek to obtain best value for money and any major capital purchases are put out to formal tender, in line with the rules set out in the Scheme of Delegation.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy's 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 at Kings Academy Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy 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 of identifying, evaluating and managing the academy trust's significant risks that have been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

KINGS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The risk and control framework

The academy trust's system of internal 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;
- provision of five year forecasted budget with scenarios provided to support future decisions.
- regular reviews by the Business and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting realistic targets to measure financial and other performance;
- clearly defining purchasing (assets purchase or capital investment) guidelines;
- delegation of authority and segregations of duties; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has appointed Mr M Prior FCA as internal assurance officer. The internal assurance officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the internal assurance officer reports to the Audit and Finance Committee on the operation of the systems of control. The reviews undertaken in the year did not identify any material control issues arising as a result of the reviewer's work.

The internal assurance officer completed his most recent review in June 2021.

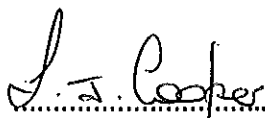
Review of effectiveness

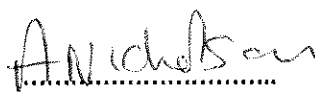
As accounting officer, the executive principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the Finance & Audit Committee;
- the work of the internal assurance officer; and
- the work of the external auditors.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance & 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 on 9 December 2021 and signed on its behalf by:


L Cooper
Chair of trustees


A Nicholson
Accounting officer

KINGS ACADEMY TRUST

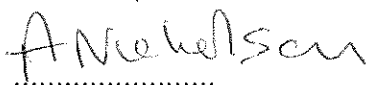
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Kings 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 2020.

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

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



A Nicholson
Accounting officer

Date: 9 December 2021

KINGS ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Kings Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

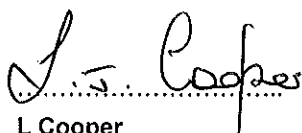
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 9 December 2021 and signed on its behalf by:



L Cooper
Chair of trustees

KINGS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Kings Academy Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

KINGS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

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

KINGS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the group's or the parent charitable company's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Identify and test journal entries, in particular any journal entries posting with unusual account combinations.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

KINGS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Haines Watts

John Whittick FCA (Senior Statutory Auditor)

for and on behalf of

Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date: *9/12/21*

KINGS ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KINGS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kings Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Kings Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Kings 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 Kings Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Kings Academy Trust's funding agreement with the Secretary of State for Education dated 1 May 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

KINGS ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KINGS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

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

Haines Watts

Haines Watts
Reporting Accountant

Date: 9/12/21

KINGS ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2021 £(000)	Total 2020 £(000)
Income and endowments from:						
Donations and capital grants	2	-	6	610	616	35
Donations - transfer of existing academy into the trust		-	(310)	1,613	1,303	-
Charitable activities:						
- Funding for educational operations	3	-	6,105	-	6,105	4,362
Teaching school	27	-	74	-	74	59
The Excell Hubb	8	22	-	-	22	-
Other trading activities	4	29	82	-	111	34
Total		<u>51</u>	<u>5,957</u>	<u>2,223</u>	<u>8,231</u>	<u>4,490</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	-	5,733	128	5,861	4,524
Teaching school	27	-	58	-	58	54
The Excell Hubb	8	24	-	-	24	-
Total		<u>24</u>	<u>5,791</u>	<u>128</u>	<u>5,943</u>	<u>4,578</u>
Net income/(expenditure)		27	166	2,095	2,288	(88)
Transfers between funds	16	-	(157)	157	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	18	-	(666)	-	(666)	(643)
Net movement in funds		27	(657)	2,252	1,622	(731)
Reconciliation of funds						
Total funds brought forward		535	(2,009)	386	(1,088)	(357)
Total funds carried forward		<u>562</u>	<u>(2,666)</u>	<u>2,638</u>	<u>534</u>	<u>(1,088)</u>

KINGS ACADEMY TRUST

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

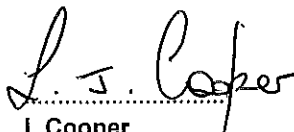
FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2020	Notes	funds £(000)	General £(000)	Fixed asset £(000)	2020 £(000)
Income and endowments from:					
Donations and capital grants	2	-	3	32	35
Charitable activities:					
- Funding for educational operations	3	-	4,362	-	4,362
Teaching school	27				
Other trading activities	4	31	3	-	34
Investments	5	-	-	-	1
Total		<u>31</u>	<u>4,427</u>	<u>32</u>	<u>4,490</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	-	4,425	99	4,524
Teaching school	27	-	54	-	54
Total		<u>-</u>	<u>4,479</u>	<u>99</u>	<u>4,578</u>
Net income/(expenditure)		31	(52)	(67)	(88)
Transfers between funds	16	-	(75)	75	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(643)	-	(643)
Net movement in funds		31	(770)	8	(731)
Reconciliation of funds					
Total funds brought forward		<u>504</u>	<u>(1,239)</u>	<u>378</u>	<u>(357)</u>
Total funds carried forward		<u>535</u>	<u>(2,009)</u>	<u>386</u>	<u>(1,088)</u>

KINGS ACADEMY TRUST
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2021

	Notes	2021 £(000)	2020 £(000)	2020 £(000)
Fixed assets				
Tangible assets	12		2,267	386
Current assets				
Debtors	14	730		108
Cash at bank and in hand		1,626		1,339
		<u>2,356</u>		<u>1,447</u>
Current liabilities				
Creditors: amounts falling due within one year	15	(394)		(481)
Net current assets			<u>1,962</u>	<u>966</u>
Net assets excluding pension liability			4,229	1,352
Defined benefit pension scheme liability	18		(3,695)	(2,440)
Total net assets/(liabilities)			<u>534</u>	<u>(1,088)</u>
Funds of the academy trust:				
Restricted funds	16			
- Fixed asset funds			2,638	386
- Restricted income funds			1,029	431
- Pension reserve			(3,695)	(2,440)
Total restricted funds			<u>(28)</u>	<u>(1,623)</u>
Unrestricted income funds	16		562	535
Total funds			<u>534</u>	<u>(1,088)</u>

The accounts were approved by the trustees and authorised for issue on9/12/21..... and are signed on their behalf by:

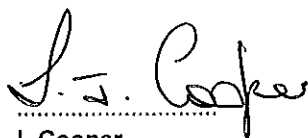

L Cooper
Chair of trustees

Company Number 07982516

KINGS ACADEMY TRUST
ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2021

	Notes	2021 £(000)	2020 £(000)	2020 £(000)
Fixed assets				
Tangible assets	12		2,267	386
Current assets				
Debtors	14	749		108
Cash at bank and in hand		1,609		1,339
		<u>2,358</u>		<u>1,447</u>
Current liabilities				
Creditors: amounts falling due within one year	15	(394)		(481)
Net current assets			<u>1,964</u>	<u>966</u>
Net assets excluding pension liability			4,231	1,352
Defined benefit pension scheme liability	18		(3,695)	(2,440)
Total net assets/(liabilities)			<u>536</u>	<u>(1,088)</u>
Funds of the academy trust:				
Restricted funds	16			
- Fixed asset funds			2,638	386
- Restricted income funds			1,029	431
- Pension reserve			(3,695)	(2,440)
Total restricted funds			<u>(28)</u>	<u>(1,623)</u>
Unrestricted income funds	16		564	535
Total funds			<u>536</u>	<u>(1,088)</u>

The accounts were approved by the trustees and authorised for issue on9/12/21..... and are signed on their behalf by:



L Cooper
Chair of trustees

KINGS ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

		2021		2020	
	Notes	£(000)	£(000)	£(000)	£(000)
Cash flows from operating activities					
Net cash provided by operating activities	19		138		413
Cash funds transferred on conversion			(65)		-
			<u>73</u>		<u>413</u>
Cash flows from investing activities					
Capital grants from DfE Group		578		12	
Capital funding received from sponsors and others		-		20	
Purchase of tangible fixed assets		(364)		(107)	
			<u>214</u>		<u>(75)</u>
Net cash provided by/(used in) investing activities			<u>214</u>		<u>(75)</u>
Net increase in cash and cash equivalents in the reporting period			287		338
Cash and cash equivalents at beginning of the year			<u>1,339</u>		<u>1,001</u>
Cash and cash equivalents at end of the year			<u><u>1,626</u></u>		<u><u>1,339</u></u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Kings Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Transfer of assets from existing academies

On 1 November 2020, Kassia Academy and Support Services transferred its operations and assets and liabilities from TBAP Multi Academy Trust to The Kings Academy Trust for £nil consideration.

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

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. This includes redundancy and severance payments.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 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 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 so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	50 years
Outdoor equipment	10 years
Fixtures, fittings & equipment	7 years
Motor vehicles	5 years

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 the fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 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.

1.7 Leased assets

Rentals payable under operating leases are charged on a straight line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.9 Taxation

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

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are 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 net income or expenditure 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.

1.11 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 Education and Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

1.12 PFI charge

The academy buildings were built under a PFI agreement, as at 31 August 2021 the agreement had a further 9 years to run. The local authority will continue to pay the unitary charge to the PFI provider under the pre-existing PFI contract. In turn, the academy trust will continue to pay the local authority but there may be a shortfall, known as an affordability gap, which fluctuates based on the number of pupils attending the school in any given academic year. The local authority will fund the affordability gap until the contract expires.

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 25.

2 Donations and capital grants

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2021 £(000)	Total 2020 £(000)
Donated fixed assets	-	32	32	-
Capital grants	-	578	578	12
Other donations	-	6	6	23
	<u>-</u>	<u>616</u>	<u>616</u>	<u>35</u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Funding for the academy trust's educational operations

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2021 £(000)	Total 2020 £(000)
DfE/ESFA grants				
General annual grant (GAG)	-	3,188	3,188	2,353
Other DfE/ESFA grants:				
Pupil premium	-	136	136	125
Start up grants	-	35	35	-
Teachers' pay grant	-	49	49	40
Teachers' pension grant	-	136	136	111
Trust capacity grant	-	100	100	-
Others	-	56	56	46
	-	3,700	3,700	2,677
Other government grants				
Local authority grants	-	2,247	2,247	1,685
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	81	81	-
Other DfE/ESFA COVID-19 funding	-	77	77	-
	-	158	158	-
Total funding	-	6,105	6,105	4,362

The academy trust received £2,247,000 (2020: £1,685,000) from the local authority in the year being £65,000 (2020 £60,000) out of borough funding, £16,700 (2020: £7,200) pupil premium funding and £2,165,000 (2020: £1,618,000) High Needs funding.

The academy received £81,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £81,000. The academy trust also received £77,000 of funding for mass testing and costs incurred in respect of this funding totalled £77,000.

There were no unfulfilled conditions or other contingencies relating to the grants in the year.

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

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Other trading activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2021 £(000)	Total 2020 £(000)
Parental contributions	-	3	3	3
Sales and charges	29	-	29	31
Other income	-	79	79	-
	<u>29</u>	<u>82</u>	<u>111</u>	<u>34</u>

5 Expenditure

	Staff costs £(000)	Non-pay expenditure Premises £(000)	Other £(000)	Total 2021 £(000)	Total 2020 £(000)
Academy's educational operations					
- Direct costs	2,539	119	474	3,132	2,362
- Allocated support costs	1,751	779	281	2,811	2,216
	<u>4,290</u>	<u>898</u>	<u>755</u>	<u>5,943</u>	<u>4,578</u>

Net income/(expenditure) for the year includes:

	2021 £(000)	2020 £(000)
Fees payable to auditor for:		
- Audit	8	7
- Other services	7	12
Operating lease rentals	8	9
Depreciation of tangible fixed assets	128	99
Net interest on defined benefit pension liability	48	30

6 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;
- others as arising.

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

- flat percentage of income - 6%

The central trust refunded an amount of its central charges to Kassia Academy and Support Services to help them financially. This will look to be reviewed in the near future.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

6 Central services

The amounts charged during the year were as follows:

	2021 £(000)	2020 £(000)
Oakwood Academy	190	-
Kassia Academy	(17)	-
The Excell Hubb	-	-
	<u>173</u>	<u>-</u>

7 Charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2021 £(000)	Total 2020 £(000)
Direct costs				
Educational operations	-	3,055	3,055	2,362
Support costs				
Educational operations	-	2,806	2,806	2,216
	<u>-</u>	<u>5,861</u>	<u>5,861</u>	<u>4,578</u>

Analysis of costs

	2021 £(000)	2020 £(000)
Direct costs		
Teaching and educational support staff costs	2,488	1,981
Staff development	38	20
Depreciation	119	93
Technology costs	47	20
Educational supplies and services	349	215
Examination fees	12	12
Other direct costs	2	21
	<u>3,055</u>	<u>2,362</u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Charitable activities

Support costs

	2021 £(000)	2020 £(000)
Support staff costs	1,748	1,340
Depreciation	9	6
Technology costs	4	3
Recruitment and support	2	6
Maintenance of premises and equipment	66	69
Cleaning	23	4
Energy costs	26	9
Rent, rates and other occupancy costs	643	598
Insurance	12	6
Security and transport	25	29
Interest on defined benefit pension scheme	48	30
Legal costs	81	10
Other support costs	104	87
Governance costs	15	19
	<u>2,806</u>	<u>2,216</u>

Included within rent, rates and other occupancy costs is £510,000 (2020: £515,000) in relation to the cost of the PFI building.

8 The Excell Hubb Limited trading account

	2021 £'000
Income	
Sales	22
Total income	<u>22</u>
Expenditure	
Direct costs	
Direct staff costs	19
	<u>19</u>
Other costs	
Rent, rates and other occupancy costs	3
Other support costs	2
	<u>5</u>
Total expenditure	<u>24</u>
Surplus/(deficit) for the period to 31 August 2021	(2)

The Excell Hubb Limited started trading on 21 September 2021 and this is the first year of consolidation.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

Staff costs

Staff costs during the year were:

	2021 £(000)	2020 £(000)
Wages and salaries	2,771	2,313
Social security costs	277	211
Pension costs	863	694
Staff costs - employees	3,911	3,218
Agency staff costs	113	102
Staff restructuring costs	266	-
	4,290	3,320
Staff development and other staff costs	40	21
Total staff expenditure	4,330	3,341

Staff restructuring costs comprise:

Redundancy payments	266	-
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Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £146,000 (2020: £nil). Individually, the payments were: £46,000; £19,000; £8,000; £26,000; £10,000; £17,000 and £20,000.

Staff numbers

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

	2021 Number	2020 Number
Teachers	29	23
Administration and support	72	59
Management	8	8
	109	90

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	1	1
£110,001 - £120,000	1	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £575,000 (2020: £573,000).

10 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. There were no staff trustees in the academy during the year and therefore no payments were made for their roles under employment (2020: £nil). There were no expenses paid to trustees during the year (2020: £nil).

11 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 trust 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.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets – Group and Academy

	Land and buildings	Outdoor equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£(000)	£(000)	£(000)	£(000)	£(000)
Cost					
At 1 September 2020	-	163	446	117	726
Transfer on conversion	1,605	-	8	-	1,613
Additions	-	185	211	-	396
At 31 August 2021	1,605	348	665	117	2,735
Depreciation					
At 1 September 2020	-	50	233	57	340
Charge for the year	11	21	72	24	128
At 31 August 2021	11	71	305	81	468
Net book value					
At 31 August 2021	1,594	277	360	36	2,267
At 31 August 2020	-	113	213	60	386

The academy buildings at Oakwood Academy are provided on a PFI contract which at 31 August 2021 had a further 9 years to run. The land and buildings are owned by Salford City Council.

The academy buildings at Kassia Academy and Support Services are owned by Warrington Borough Council and is on a 125 year lease from January 2018.

13 Investments

The academy trust formed a company limited by guarantee in the name of The Excell Hubb Limited, a company incorporated in England, registration number 12893279. The principal activity of the company is provision of educational support to college level students. This is the company's first year of trading.

Turnover for the period ended 31 August 2021 was £22,000, expenditure was £24,000 and the loss for the period was £2,000. The assets of the company at 31 August 2021 were £21,000, liabilities were £23,000 and capital and reserves were a deficit of £2,000

14 Debtors

	Group 2021 £000	Group 2020 £000	Academy 2021 £000	Academy 2020 £000
Trade debtors	21	27	39	27
VAT recoverable	354	18	354	18
Prepayments and accrued income	355	63	356	63
	730	108	749	108

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Creditors: amounts falling due within one year

	Group	Group	Academy	Academy
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade creditors	131	105	131	105
Other taxation and social security	68	103	68	103
Other creditors	105	7	105	7
Accruals	90	266	90	266
	<u>394</u>	<u>481</u>	<u>394</u>	<u>481</u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds - Group

	Balance at 1 September 2020 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2021 £(000)
Restricted general funds					
General Annual Grant (GAG)	431	3,123	(2,398)	(157)	999
Start up grants	-	35	(35)	-	-
Pupil premium	-	136	(136)	-	-
Catch-up premium	-	81	(81)	-	-
Other DfE/ESFA COVID-19 funding	-	77	(77)	-	-
Other DfE/ESFA grants	-	130	(100)	-	30
Other government grants	-	2,247	(2,247)	-	-
Teachers' pay grant	-	49	(49)	-	-
Teachers' pension grant	-	136	(136)	-	-
Trust capacity grant	-	100	(100)	-	-
Other restricted funds	-	88	(88)	-	-
Pension reserve	(2,440)	(245)	(344)	(666)	(3,695)
	<u>(2,009)</u>	<u>5,957</u>	<u>(5,791)</u>	<u>(823)</u>	<u>(2,666)</u>
Restricted fixed asset funds					
Inherited on conversion	-	1,613	(11)	-	1,613
DfE group capital grants	57	578	(15)	-	609
Capital expenditure from GAG	172	-	(45)	157	284
Other capital donations	31	-	(10)	-	21
Donated assets	21	32	(20)	-	33
Expenditure from unrestricted funds	105	-	(27)	-	78
	<u>386</u>	<u>2,223</u>	<u>(128)</u>	<u>157</u>	<u>2,638</u>
Total restricted funds	<u>(1,623)</u>	<u>8,180</u>	<u>(5,919)</u>	<u>(666)</u>	<u>(28)</u>
Unrestricted funds					
General funds	535	29	-	-	564
The Excell Hubb	-	22	(24)	-	(2)
	<u>535</u>	<u>51</u>	<u>(24)</u>	<u>-</u>	<u>562</u>
Total funds	<u>(1,088)</u>	<u>8,231</u>	<u>(5,943)</u>	<u>(666)</u>	<u>534</u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds - Group

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy. This is made up of the net book value of £2,267,000 plus unspent CIF grants of £371,000

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are the discretion of the trustees.

The transfer of £157,000 from General Annual Grant to Capital Expenditure from GAG is to cover the additions not covered by capital grants in the year.

Restricted general funds of £30,000 carried forward relates to the free school grant the trust has received, expected to be completed by 2023.

Restricted GAG funds include Kassia Academy and Support Services' deficit of £196,000. This was expected by the trust as a result of the ongoing improvements and staff restructuring. The directors continue with their strategy to return this fund to a surplus.

There is a £2,000 deficit included within the unrestricted funds relating to the Excell Hubb Limited. This is expected due to it being the first year of trading, directors continue with their strategy to bring this fund to a surplus.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds - Academy

	Balance at 1 September 2020 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2021 £(000)
Restricted general funds					
General Annual Grant (GAG)	431	3,123	(2,398)	(157)	999
Start up grants	-	35	(35)	-	-
Pupil premium	-	136	(136)	-	-
Catch-up premium	-	81	(81)	-	-
Other DfE/ESFA COVID-19 funding	-	77	(77)	-	-
Other DfE/ESFA grants	-	130	(100)	-	30
Other government grants	-	2,247	(2,247)	-	-
Teachers pay grant	-	49	(49)	-	-
Teachers pension grant	-	136	(136)	-	-
Trust capacity grant	-	100	(100)	-	-
Other restricted funds	-	88	(88)	-	-
Pension reserve	(2,440)	(245)	(344)	(666)	(3,695)
	<u>(2,009)</u>	<u>5,957</u>	<u>(5,791)</u>	<u>(823)</u>	<u>(2,666)</u>
Restricted fixed asset funds					
Inherited on conversion	-	1,613	(11)	-	1,613
DfE group capital grants	57	578	(15)	-	609
Capital expenditure from GAG	172	-	(45)	157	284
Other capital donations	31	-	(10)	-	21
Donated assets	21	32	(20)	-	33
Expenditure from unrestricted funds	105	-	(27)	-	78
	<u>386</u>	<u>2,223</u>	<u>(128)</u>	<u>157</u>	<u>2,638</u>
Total restricted funds	<u>(1,623)</u>	<u>8,180</u>	<u>(5,919)</u>	<u>(666)</u>	<u>(28)</u>
Unrestricted funds					
General funds	535	29	-	-	564
	<u>535</u>	<u>29</u>	<u>-</u>	<u>-</u>	<u>564</u>
Total funds	<u>(1,088)</u>	<u>8,209</u>	<u>(5,919)</u>	<u>(666)</u>	<u>536</u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds - Academy

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy. This is made up of the net book value of £2,267,000 plus unspent CIF grants of £371,000

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are the discretion of the trustees.

The transfer of £157,000 from General Annual Grant to Capital Expenditure from GAG is to cover the additions not covered by capital grants in the year.

Restricted general funds of £30,000 carried forward relates to the free school grant the trust has received, expected to be completed by 2023.

Restricted GAG funds include Kassia Academy and Support Services' deficit of £196,000. This was expected by the trust as a result of the ongoing improvements and staff restructuring. The directors continue with their strategy to return this fund to a surplus.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds - Academy comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2019 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2020 £(000)
Restricted general funds					
General Annual Grant (GAG)	306	2,353	(2,153)	(75)	431
Pupil premium	-	125	(125)	-	-
Other DfE/ESFA grants	-	258	(258)	-	-
Other government grants	-	1,685	(1,685)	-	-
Other restricted funds	-	6	(6)	-	-
Pension reserve	(1,545)	-	(252)	(643)	(2,440)
	<u>(1,239)</u>	<u>4,427</u>	<u>(4,479)</u>	<u>(718)</u>	<u>(2,009)</u>
Restricted fixed asset funds					
DfE group capital grants	51	12	(6)	-	57
Capital expenditure from GAG	131	-	(34)	75	172
Other capital donations	22	20	(11)	-	31
Donated assets	42	-	(21)	-	21
Expenditure from unrestricted funds	132	-	(27)	-	105
	<u>378</u>	<u>32</u>	<u>(99)</u>	<u>75</u>	<u>386</u>
Total restricted funds	<u>(861)</u>	<u>4,459</u>	<u>(4,578)</u>	<u>(643)</u>	<u>(1,623)</u>
Unrestricted funds					
General funds	504	31	-	-	535
	<u>504</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>535</u>
Total funds	<u>(357)</u>	<u>4,490</u>	<u>(4,578)</u>	<u>(643)</u>	<u>(1,088)</u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds - Group

Total funds analysis by academy

	2021 £(000)	2020 £(000)
Fund balances at 31 August 2021 were allocated as follows:		
Oakwood Academy	1,708	966
Kassia Academy	(196)	-
The Excell Hubb	(2)	-
Central services	81	-
	<u>1,591</u>	<u>966</u>
Total before fixed assets fund and pension reserve		
Restricted fixed asset fund	2,638	386
Pension reserve	(3,695)	(2,440)
	<u>534</u>	<u>(1,088)</u>
Total funds		

Total cost analysis by academy

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

	Teaching and educational support staff £(000)	Other support staff costs £(000)	Educational supplies £(000)	Other costs excluding depreciation £(000)	Total 2021 £(000)	Total 2020 £(000)
Oakwood Academy	1,696	1,244	316	994	4,250	4,227
Kassia Academy	635	326	91	69	1,121	-
Central services	105	26	-	121	252	-
	<u>2,436</u>	<u>1,596</u>	<u>407</u>	<u>1,184</u>	<u>5,623</u>	<u>4,227</u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Analysis of net assets between funds - Group

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total Funds £(000)
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	2,267	2,267
Current assets	562	1,423	371	2,356
Creditors falling due within one year	-	(394)	-	(394)
Defined benefit pension liability	-	(3,695)	-	(3,695)
Total net assets	<u>562</u>	<u>(2,666)</u>	<u>2,638</u>	<u>534</u>

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total Funds £(000)
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	386	386
Current assets	1,016	431	-	1,447
Creditors falling due within one year	(481)	-	-	(481)
Defined benefit pension liability	-	(2,440)	-	(2,440)
Total net assets	<u>535</u>	<u>(2,009)</u>	<u>386</u>	<u>(1,088)</u>

Analysis of net assets between funds – Academy

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total Funds £(000)
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	2,267	2,267
Current assets	564	1,423	371	2,358
Creditors falling due within one year	-	(394)	-	(394)
Defined benefit pension liability	-	(3,695)	-	(3,695)
Total net assets	<u>564</u>	<u>(2,666)</u>	<u>2,638</u>	<u>536</u>

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total Funds £(000)
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	386	386
Current assets	1,016	431	-	1,447
Creditors falling due within one year	(481)	-	-	(481)
Defined benefit pension liability	-	(2,440)	-	(2,440)
Total net assets	<u>535</u>	<u>(2,009)</u>	<u>386</u>	<u>(1,088)</u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Thameside Metropolitan Borough Council for Oakwood Academy and Warrington Metropolitan Borough Council for Kassia Academy and Support Services. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £67,000 were payable to the schemes at 31 August 2021 (2020: £54,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

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

The pension costs paid to the TPS in the period amounted to £330,000 (2020: £283,000).

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

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

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for Oakwood Academy (Greater Manchester Pension Fund) for future years are 21.2% for employers and 5.5 to 8.5% for employees. The agreed contribution rates for Kassia Academy and Support Services (Cheshire Pension Fund) for future years are 20.1% for employers and 5.5 to 8.5% for employees.

As described in note 26 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Oakwood Academy (Greater Manchester Pension Fund)

Total contributions made	2021 £(000)	2020 £(000)
Employer's contributions	211	189
Employees' contributions	64	54
Total contributions	<u>275</u>	<u>243</u>
Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.7	3.0
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	<u>1.7</u>	<u>1.7</u>

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

	2021 Years	2020 Years
Retiring today		
- Males	20.5	20.5
- Females	23.3	23.1
Retiring in 20 years		
- Males	21.9	22.0
- Females	<u>25.3</u>	<u>25.0</u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations – Oakwood Academy (Greater Manchester Pension Fund)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Sensitivity analysis

Changes in assumptions at 31 August 2021	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	194
1 year increase in member life expectancy	4%	335
0.1% increase in the Salary Increase Rate	2%	176
0.1% increase in Pension Increase Rate	0%	15

The academy trust's share of the assets in the scheme	2021 Fair value £(000)	2020 Fair value £(000)
Equities	3,659	2,808
Bonds	773	660
Property	361	289
Other assets	360	373
Total market value of assets	<u>5,153</u>	<u>4,130</u>

The actual return on scheme assets was £837,000 (2020: £60,000).

Amount recognised in the statement of financial activities	2021 £(000)	2020 £(000)
Current service cost	454	411
Interest income	(72)	(74)
Interest cost	115	104
Total operating charge	<u>497</u>	<u>441</u>

Changes in the present value of defined benefit obligations	2021 £(000)	2020 £(000)
At 1 September 2020	6,570	5,577
Transferred in on existing academies joining the academy trust	-	-
Current service cost	454	411
Interest cost	115	104
Employee contributions	64	54
Actuarial loss	1,253	509
Benefits paid	(89)	(85)
At 31 August 2021	<u>8,367</u>	<u>6,570</u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations – Oakwood Academy (Greater Manchester Pension)

Changes in the fair value of the academy trust's share of scheme assets

	2021 £(000)	2020 £(000)
At 1 September 2020	4,130	4,032
Interest income	72	74
Actuarial (gain)/loss	765	(134)
Employer contributions	211	189
Employee contributions	64	54
Benefits paid	(89)	(85)
	<u>5,153</u>	<u>4,130</u>
At 31 August 2021	<u>5,153</u>	<u>4,130</u>

Kassia Academy and Support Services (Cheshire Pension Fund)

	2021 £(000)
Total contributions made	
Employer's contributions	41
Employees' contributions	12
	<u>53</u>

Principal actuarial assumptions	2021 %
Rate of increase in salaries	3.6
Rate of increase for pensions in payment/inflation	2.9
Discount rate for scheme liabilities	<u>1.7</u>

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

	2021 Years
Retiring today	
- Males	21.4
- Females	22.4
Retiring in 20 years	
- Males	24.0
- Females	<u>25.7</u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations – Kassia Academy and Support Services (Cheshire Pension Fund)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Sensitivity analysis

Changes in assumptions at 31 August 2021	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	3%	36
1 year increase in member life expectancy	4%	47
0.1% increase in the Salary Increase Rate	0%	5
0.1% increase in Pension Increase Rate	3%	31

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

	2021 Fair value £(000)
Equities	316
Bonds	288
Property	67
Other assets	15
Total market value of assets	<u>686</u>

The actual return on scheme assets was £76,000.

Amount recognised in the statement of financial activities

	2021 £(000)
Current service cost	94
Interest income	(10)
Interest cost	15
Total operating charge	<u>99</u>

Changes in the present value of defined benefit obligations

	2021 £(000)
Transferred in on existing academies joining the academy trust	802
Current service cost	94
Interest cost	15
Employee contributions	12
Actuarial loss	244
At 31 August 2021	<u>8,367</u>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations – Kassia Academy and Support Services (Cheshire Pension Fund)

Changes in the fair value of the academy trust's share of scheme assets

	2021 £(000)
Transferred in on existing academies joining the academy trust	557
Interest income	10
Actuarial (gain)/loss	66
Employer contributions	41
Employee contributions	12
	<hr/>
At 31 August 2021	686
	<hr/>

19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £(000)	2020 £(000)
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,288	(88)
Adjusted for:		
Net surplus on transfer of academy in the trust	(1,303)	-
Capital grants from DfE and other capital income	(610)	(32)
Defined benefit pension costs less contributions payable	296	222
Defined benefit pension scheme finance cost	48	30
Depreciation of tangible fixed assets	128	99
(Increase)/decrease in debtors	(645)	98
(Decrease)/increase in creditors	(64)	84
	<hr/>	<hr/>
Net cash provided by operating activities	138	413
	<hr/>	<hr/>

20 Analysis of changes in net funds

	1 September 2020 £(000)	Cash flows £(000)	31 August 2021 £(000)
Cash	1,339	287	1,626
	<hr/>	<hr/>	<hr/>

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £(000)	2020 £(000)
Amounts due within one year	142	54
Amounts due in two and five years	87	26
Amounts due after five years	22	-
	<u>251</u>	<u>80</u>

At 31 August 2021 the total of the academy trust's future minimum lease payments under other contractual commitments was:

	2021 £(000)	2020 £(000)
Amounts due within one year	510	510
Amounts due in two and five years	1,530	1,530
Amounts due after five years	2,550	3,060
	<u>4,590</u>	<u>5,100</u>

The academy buildings at Oakwood Academy are provided on a PFI contract which at 31 August 2021 had a further 9 years to run. The basic annual payment and affordability gap paid for the 12 months to 31 August 2021 was £510,000 (2020: £515,000) and the cost for period 1 September 2021 to 31 August 2022 is expected to be £510,000.

22 Capital commitments

	2021 £(000)	2020 £(000)
Expenditure contracted for but not provided in the accounts	437	-
	<u>437</u>	<u>-</u>

The academy had capital commitments of £437,000 relating to the ongoing CIF roofing project. £371,000 of this is to be covered by CIF grants.

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

23 Related party transactions

Owing to the nature of the academy trust's operations 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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period:

J West, daughter of L Cooper, a trustee, is employed by the academy trust as a teaching assistant. J West's appointment was made in open competition and L Cooper was not involved in the decision-making process regarding appointment.

K West, son in law of L Cooper, a trustee, is employed by the academy trust as a teaching assistant. K West's appointment was made in open competition and L Cooper was not involved in the decision-making process regarding appointment.

V Collinson, daughter of J Collinson, a trustee, is employed by the academy trust as an administrative assistant. V Collinson's appointment was made in open competition and J Collinson was not involved in the decision-making process regarding appointment.

All employees noted above are employed under normal employment conditions and no favourable terms are given.

During the period the trust paid £nil to CHN Consultancy (2020: £600), an entity run by C Harrison (member). At the year end no amount was owed by the trust.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the trust received £6,169 (2020: £5,235) and disbursed £10,244 (2020: £1,159) from the fund. An amount of £2,830 (2020: £6,905) is included in creditors relating to undistributed funds.

26 Transfer of existing academies into the academy trust

On 1 November 2020, Kassia Academy and Support Services (formerly known as New Horizons Academy) transferred its operations and assets and liabilities from TBAP Multi Academy Trust to The Kings Academy Trust for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer of existing academy into the trust.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of Transfer
Kassia Academy and Support Services	Warrington Borough	1 November 2020

KINGS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Transfer of existing academies into the academy trust

Net assets acquired	Transfer in recognised £(000)
Leasehold land and buildings	1,605
Other tangible fixed assets	8
Cash and cash equivalents	(65)
Pension scheme	(245)
Total net assets	<u>1,303</u>

There were no fair value adjustments required to the values reported by the transferring trust.

27 Teaching school trading account

	2021 £(000)	2020 £(000)
Income		
Direct income:		
- Grant income	44	40
Other income:		
- Fundraising and other activities	30	19
Total income	<u>74</u>	<u>59</u>
Expenditure		
Direct costs		
- Direct staff costs	51	48
- Other direct costs	4	4
	<u>55</u>	<u>(52)</u>
Other costs		
- Support staff costs	3	3
	<u>3</u>	<u>3</u>
Total other costs	<u>3</u>	<u>3</u>
Total expenditure	<u>(58)</u>	<u>(55)</u>
Surplus/(deficit) from all sources	16	5
Teaching school balances at 1 September 2020	5	-
Teaching school balances at 31 August 2021	<u>21</u>	<u>5</u>