
KINGSBRIDGE EDUCATIONAL TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | Mr Tony Holland Mr Mike Taylor Mrs Jane Miller Dr Colin Parsloe (appointed 30 September 2019, resigned 3 June 2020) Professor Megan Crawford Mrs Pauline Purcell (resigned 3 September 2019) |
| Trustees | Professor Megan Crawford, Chair ¹ Mr Barry O'Neill, Vice Chair ¹ Mr Peter Barnes, Chief Executive Officer and Accounting Officer ¹ Mr Charles Clay ¹ Mrs Cathy Cornes (co-opted) (appointed 21 October 2020) Ms Carol Howells ¹ Mrs Sam Summers ¹ Mr Ian Tett Mr Paul Watts (co-opted) ¹ Member of the Finance, Audit and HR Committee |
| Company registered number | 09144847 |
| Company name | Kingsbridge Educational Trust |
| Principal and registered office | Oakgrove School Venturer Gate Middleton Milton Keynes Buckinghamshire MK10 9JQ |
| Senior management team | Mr Peter Barnes, Chief Executive Officer Ms Gemma Kintas (appointed 9 January 2020), Chief Finance Officer Mrs Jane Lear, HR Director Ms Alison Bealey, Finance Manager (Interim Chief Financial Officer from 1 September 2019 to 8 January 2020) |
| Independent auditor | Hillier Hopkins LLP Chartered Accountants Statutory Auditor Radius House 51 Clarendon Road Watford Herts WD17 1HP |
| Bankers | Lloyds Bank plc PO Box 1000 BX1 1LT |

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

| | |
|-------------------|--|
| Solicitors | Stone King LLP 13 Queen Square Bath BA1 2HJ |
|-------------------|--|

KINGSBRIDGE EDUCATIONAL TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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

The principal activities of the Kingsbridge Educational Trust (the "Trust") are to advance, for the public benefit, education in the United Kingdom, in particular ensuring the highest standards of achievement from all pupils. The Multi Academy Trust aims to provide high performing safe, secure and supportive school environments that support pupils' well being, care and future development as successful, purposeful citizens.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing document of the Multi-Academy Trust.

The Trustees of Kingsbridge Educational Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Kingsbridge Educational Trust.

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.

b. 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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

c. Trustees' indemnities

Indemnity provision is in force for all trustees of the company.

d. Method of recruitment and appointment or election of Trustees

The majority of trustees are drawn from the local community being either parents or carers at one of the Trust schools or individuals who have shown an interest in the future of the Trust. Recruitment is through a combination of approaches to individuals with known skills' sets. Any new trustee will be appointed in accordance with the guidelines set out in the Articles of Association.

e. Policies adopted for the induction and training of Trustees

There is a commitment by the Trustees to ensure that new trustees are given the necessary information and support to fulfil their role with confidence. The process is seen as an investment, leading to more effective governance and retention of trustees. A Trustees' Induction Pack is made available for new trustees, which provides a comprehensive guide to the Trust and its governance.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

f. Organisational structure

The Kingsbridge Educational Trust is governed by five Members (one resigned 3 June 2020) including two who are independent. Beneath them lies the Board of Directors. The Directors bring a wide range of business acumen and other management skills to the Board. Two of these directors have responsibility for Outcomes and Safeguarding respectively and meet regularly with their counterparts on each Local Governing Body and with the respective Executive Function lead. The Board of Directors has its own Finance, Personnel and Audit Committee that includes the Chief Financial Officer and the Trust's Human Resources Director. A full review and evaluation of the work of the Board of Directors is carried out bi-annually.

Each school is governed by its own Local Governing Body to whom are delegated a wide range of responsibilities and a high degree of autonomy. The Trust does not operate a franchise model. Instead it believes that decisions are best made at local level by individuals listening to, and reflecting the needs of, their communities. The Trust has an executive function that monitors performance across its schools. This includes the CEO, the CFO, HR Director and Admissions and Governor Services personnel. Each school has its own Headteacher and a Senior Leadership Team to reflect the diversity, size and need of each organization. The Headteachers of each school report to the CEO/Executive Headteacher and are accountable to the Chair of Trustees of each Local Governing Body. Job descriptions, at all levels, are carefully delineated, kept under regular review, and reflect the Trust's belief that decision making is a co-operative rather than individual responsibility. The CEO/Executive Headteacher has oversight of the quality of teaching in each school. He also reports on the development and progress of pupils to the Board of Directors and has provided 1:1 support for pupils who need additional help.

The Multi Academy Trust works with its Local Governing Bodies to ensure commonality in aims, values and vision. These are expressed through the MAT development plan and the annual improvement plans for each of the schools. The Local Governing Bodies review their effectiveness for each of their schools and regularly report to the Board of Directors who retain an overview of performance, HR issues, outcomes and safeguarding. The Board of Directors may ask the schools for more information and for updates on any issues/concern they deem necessary. Each school has an External Review of its performance carried out annually and reported back to the Board of Directors. There is also an annual Safeguarding Review. Each school also has its own School Improvement Partner who visits between three and five days a year. Five percent (5%) of each school's budget is 'top sliced' to provide central services.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

The Scheme of Delegation is reviewed annually and, from September 2020, the organisational structure is constituted as follows:

Members (5)

2 x Independent (1 x vacancy @
04/06/20)
Chair of the Board of Directors
1 x Oakgrove School
1 x Middleton Primary School

Board of Directors (9)

Chair of the Board of Directors
5 Directors
CEO (ex-officio)
2 Co-opted Directors

Finance, Audit and Human Resources Committee

Chair of the Board of Directors
4 further Directors who are not Trust employees
FPC Chairs
CEO
CFO
HR Director

Local Governing Body

Headteacher
2 x Parent Governors (min) (elected by parents/carers of each
academy)
2 x Staff Governors
Minimum 4 further Governors

Finance & Personnel Committee (F&PC)

3 Governors (minimum) who are not Trust
employees
Headteacher
Business Manager or designated representative
(as required)
Finance Manager (as required)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

All senior pay is determined by the extent of responsibility, expertise, performance and retention needs. The CEO/Executive Headteacher's performance and remuneration is decided either by the Board of Directors, or by the Chair and Vice Chair of Directors given the Board's delegated authority to carry out this task with the support of an external adviser. Other pay in the executive function is decided by the CEO/Executive Headteacher who will seek approval from the Board of Directors, if required. Individual Headteacher salaries reflect national pay scales and the size of the schools in their groups. This is decided by the Chair of each Local Governing Body in consultation with the Executive Headteacher/CEO and approved by each Local Governing Body. Arrangements for setting pay and remuneration of members of the Senior Leadership Team of each school is decided upon by the Headteacher of that school and then reviewed by the Finance and Personnel Committee of each Local Governing Body.

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

| | |
|--|----------|
| Percentage of pay bill spent on facility time | £ |
|--|----------|

| | |
|---|-------------------|
| Total cost of facility time | - |
| Total pay bill | 14,461,137 |
| Percentage of total pay bill spent on facility time | - % |

Paid trade union activities

| | |
|---|-----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | - % |
|---|-----|

i. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

Engagement with employees (including disabled persons) (continued)

- Equal opportunities policy
- Health & safety policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

j. Engagement with suppliers, customers and others in a business relationship with the Academy Trust

We engage with suppliers to build positive business relationships, and pay promptly within allocated credit terms. Our main customers are our pupils and their guardians, which have been referred to throughout the Trustees report.

Objectives and activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of the Kingsbridge Educational Trust whose primary purpose is to advance the education for different pupils of all abilities between the ages of 4 and 19.

In accordance with the DfE approved model articles of association, the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. This specifies, amongst other things, the basis for admitting pupils into the schools, the admissions criteria and that the curriculum should be broad and balanced and promote British values.

b. Objectives, strategies and activities

To ensure outstanding learning opportunities are provided for each and every child regardless of age, gender, need, faith or background. To enrich lives socially, culturally, morally and spiritually and to ensure all children can take their place in a forward thinking, enlightened democracy. We do this by ensuring each school in the Trust:

- provides the very best in teaching and learning opportunities for every pupil;
- has the highest expectations of what pupils can achieve;
- promotes an ethos of high expectations, outstanding behaviour and care;
- has an enriching and enabling, broad and balanced curricular and extra curricular programme that supports outstanding personal development;
- prepares and equips pupils well for the next stages of their life journey;
- promotes and sustains the very best of British values, including fairness, equality, honesty, justice and service;
- ensures pupils reach the highest possible standards in public examinations;
- shares our vision, aims and values and actively promotes these at every opportunity.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

Each school within the Trust has its own development plan that reflects the priorities of both that school and its local community and sits within the Trust's overall aims and objectives. This plan is monitored by each Local Governing Body and the key headlines reported to the Board of Directors, as required.

c. Public benefit

Trustees have complied with the duty to have due regard to public benefit guidance published by the Charities Commission in exercising their powers and duties. The Members and Trustees also ensure that each school fully complies with the conditions of grant laid down in their funding agreements. Members and Trustees will also pursue alternative sources of funding as appropriate, consistent with the MAT's core aims and values, fund capital investment as appropriate and further look to maintain and improve the MAT's shorter-term liquidity.

Strategic report

Achievements and performance

a. Key performance indicators

KET Summary Outcomes 2019-2020

Oakgrove Primary, Middleton and Monkston

During the 2019-2020 academic year there was a cancellation of all primary assessments due to the national lockdown in enforcement due to the global pandemic of Covid-19. As such there are no key stage (KS) 2 outcomes available to report on. All schools are confident that the level of progress made by students during the year was inline with expectations based on an internal review of work produced.

Oakgrove

Secondary

| KS4 Year 11 | 2020 | National |
|-----------------------------|---------------------|--------------------------|
| Progress 8 | N/A(2019: 0.07) | N/A (2019: 0) |
| Attainment 8 | 54.56 (2019: 51.8) | N/A (2019: 44.54 (2018)) |
| 9 - 5 in Eng and Mat | 55.3% (2019: 50.8%) | N/A (2019: 40% (2018)) |
| EBacc APS | 4.73 (2019: 4.5) | N/A (2019: 3.85 (2018)) |

There was a 2.76 increase in the Attainment 8 figure compared to last year and we anticipate that this would still be well ahead of national if the data was available. The progress 8 figure is not available for this year due to changes in establishing outcomes caused by the national lockdown

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

| KS5 Year 13 | 2020 | National |
|----------------------------|---------------------|-------------------------|
| A Level APS | 38.43 (2019: 33.6) | N/A (2019: 32.1 (2018)) |
| Academic | 38.43 (2019: 34.04) | N/A (2019: 32.1 (2018)) |
| Applied General APS | 32.46 (2019: 29.63) | N/A (2019: 28.4 (2018)) |
| % A* - B | 49.3% (2019: 41%) | N/A |

Results for Year 13 have improved from last year in all categories. A levels have seen an improvement of nearly half a grade and applied courses have improved by a third of a grade. Value added measures have not yet been released but likely to be in line with national figures.

Key performance indicators

All schools in the Trust monitor performance using common systems and income is benchmarked against curriculum and staffing needs. Key examination and financial indicators are used to design the type and appropriateness of the curriculum offered. Examination outcomes are also used to make judgements about value for money and those curriculum models or subject areas that require refinement, change, or greater cost effectiveness.

b. Going concern

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

c. Promoting the success of the company

Trustees have a duty to promote the success of the academy trust, in particular ensuring the highest standards of achievement for all pupils. Our focus on pupils has been referred to throughout the Trustees report.

Financial review

a. Financial review

The majority of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), capital grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2020, total expenditure of £19,911,898 was more than covered by recurrent

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

grant funding from the ESFA together with other incoming resources and reserves.

At 31 August 2020 the net book value of fixed assets was £58,094,585 and movements in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

b. Reserves policy

Kingsbridge Educational Trust (KET) will endeavour to hold a free reserve (including brought forward balance) that is equivalent to at least 5% of current General Annual Grant (GAG) as a contingency. Free reserves exclude fixed asset funds, other restricted and designated funds. The purpose of the free reserve is to provide sufficient working capital to provide resources to deal with unexpected costs such as urgent maintenance, or to cover delays in the receipt of grants.

No maximum overall reserve has been set as the KET is mindful of the likely impact of the city's expansion plans on provision of places and the need to extend and develop facilities to accommodate an anticipated increase in pupil numbers. It is, therefore, the Board of Directors' policy to retain as much of the funding as possible and to add to this reserve as funds allow, without compromising provision for existing pupils.

c. Investment policy

If balances in excess of one month's salary costs can be reliably foreseen, the FD will seek the CFO's authorisation to place the identified surplus on fixed term deposit with Lloyds Bank, if this would attract a higher rate of interest than is being earned in the current account.

The CFO will periodically compare rates and terms offered by other banks or building societies on instant access or short notice access (max. 3 months) deposit accounts and advise the Finance, Audit and Human Resources Committee (FAHRCT) accordingly. The FAHRCT has the authority to authorise the opening and closing of such accounts.

£1,350,000 has been invested in 32-day notice accounts with the balance of funds remaining in current accounts.

d. Principal risks and uncertainties

As Trustees, we acknowledge that we have overall responsibility for the Trust's system of internal financial control and for reviewing its effectiveness. 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 mis statement or loss.

The Board of Directors has delegated the day to day responsibility to the CEO, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between Kingsbridge Educational Trust and Education and Skills Funding Agency (ESFA). The CEO is also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

The Trustees have assessed the major risks to which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of their Schools, and their finances. The Trustees have implemented a number of systems, including the Risk Register, to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

(see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Work during the year to further develop the system of internal control, including financial, operational and risk management is designed to protect the Trust's assets and reputation.

A risk register is maintained at the Trust level which is reviewed annually by Trustees' committees and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. The Trust's financial objectives are:

- to achieve an annual operating surplus when possible.
- to pursue alternative sources of funding, on a selective basis, consistent with the Trust's core competencies, and the need for financial contribution to the Trust's overall finances
- to generate sufficient levels of income to support the asset base of the Trust.
- to further improve the Trust's shorter term liquidity.
- to fund continued capital investment.

They are satisfied that these systems are consistent with guidelines issued by the Charities Commission. The Trust has an effective system of internal financial control that monitor risks and uncertainty on a half termly basis.

Streamlined energy and carbon reporting

For the year ended 31 August 2020, it is not practicable to calculate the required energy and carbon information. This is, in part, as a result of a lack of information from suppliers. This will improve next year as we look to change to new energy providers.

Measures taken to improve energy efficiency:

The trust is undergoing a review of energy suppliers and as part of this are considering the green energy options available.

Plans for future periods

The Board of Trustees was reconstituted to a completely 'skills based' structure from September 1st 2018. This was in response to the External Review of the Trust commissioned in January 2018 and to ensure a more streamlined, independent approach to decision making as the Trust expands. Rather than each Headteacher and Chair of the Local Governing Body sitting on the Board, a representative from each will present any collective views for consideration.

As of 1st September 2020, the Trust educates 3,828 pupils. With no additional schools joining, this will expand to 4,530 pupils by 1st September 2022. This is a considerable challenge.

We will continue to consider opportunities for additional schools to join the Trust in 2020-2021 and beyond. We will continue to review all our functions to ensure maximum efficiencies and value for money whilst continuing to invest fully in the professional development and training of all staff.

Funds held as custodian on behalf of others

None.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

Auditor

The auditor, Hillier Hopkins LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2020 and signed on its behalf by:



.....
Professor Megan Crawford
Chair of Trustees

KINGSBRIDGE EDUCATIONAL TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Kingsbridge Educational 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 CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Kingsbridge Educational 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 6 times during the year (including an AGM).

Attendance during the year at meetings of the Board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Professor Megan Crawford, Chair | 4 | 6 |
| Mr Barry O'Neill, Vice Chair | 5 | 6 |
| Mr Peter Barnes, Chief Executive Officer and Accounting Officer | 6 | 6 |
| Mr Charles Clay | 6 | 6 |
| Mrs Cathy Cornes (co-opted) | 5 | 5 |
| Ms Carol Howells | 6 | 6 |
| Mrs Sam Summers | 6 | 6 |
| Mr Ian Tett | 6 | 6 |
| Mr Paul Watts (co-opted) | 5 | 6 |

The Board's performance has been effective throughout the year. The External Review of the MAT commissioned in January 2018 commented that: 'There is a wide ranging skills set amongst the Board of Directors that enables them to move easily between setting the strategic direction of the Trust, whilst monitoring and evaluating the impact of the work in the individual segments of the detailed Trust plans. They are uncompromising in their follow through yet retain good relationships with leaders and managers at all levels.' The Scheme of Delegation and Financial Handbook is kept under review and there has been further centralisation of policies and practice across the Trust. The External Review identified a number of action points such as enhancing communication between the Board and local governance and placing a greater emphasis on succession planning all of which have been acted upon. The level and quality of information provided to the Board is constantly reviewed. The introduction of School Improvement Strategy and School Improvement Partners for each school has proved very successful and they continue to offer support and challenge and provide regular reports on progress. This is in addition to our normal programme of External and Safeguarding Reviews which take place annually. The ofsted report on Oakgrove School in Summer 2019 was highly complimentary about the work of the Trust.

Following a detailed self evaluation and the External Review of the Trust the following have been acted upon/are due to be acted upon:

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- Reconstitution of Board to a completely 'skills based' structure.
- New communication structure between Board and Local Governing Body.
- Decision making process made clearer on agenda items.
- Introduction of an annual statement outlining the use of the top slice and its impact and effectiveness.
- Trust termly newsletter to be sent to all staff.

The Finance, Audit and Human Resources Committee (FAHRCT) is a sub-committee of the main Board of Trustees. Its purpose is to deal with specific areas of the Trust's business as set down in the terms of reference which have been authorised by the Board of Trustees. The main responsibilities include:

- The initial review and authorisation of the annual budget
- The regular monitoring of actual expenditure and income against the budget
- Ensuring the actual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued
- Authorising the award of contracts within the terms of the Scheme of Delegation
- Authorising changes to the school's personnel
- To fulfil the responsibilities of an audit committee including review of risks to internal financial control, agreeing a programme of works for the internal auditor to carry out and reviewing the reports of the internal auditor on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body.
- Authorise the virement of funds within the terms of the Scheme of Delegation
- Write off debts within the terms of the Scheme of Delegation.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|--------------------------|-------------------|-------------------|
| Mr Peter Barnes | 4 | 4 |
| Mr Charles Clay | 4 | 4 |
| Professor Megan Crawford | 3 | 4 |
| Ms Carol Howells | 4 | 4 |
| Mrs Sam Summers | 4 | 4 |
| Mr Barry O'Neill | 4 | 4 |

Review of value for money

As accounting officer, the CEO has responsibility for ensuring that the 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Trust has delivered improved value for money during the year by:

- Probity: it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the KET;
- Accountability: the KET is publicly accountable for its expenditure and the conduct of its affairs; and
- Fairness: all those dealing with the KET are dealt with on a fair and equitable basis.

KINGSBRIDGE EDUCATIONAL TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kingsbridge Educational Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Hillier Hopkins LLP, the external auditor, to perform additional checks. This will change in 2020-21 in line with the requirements of the Academies Financial Handbook.

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

- Two visits to each of Middleton, Monkston, Oakgrove and Kents Hill Schools were carried out followed up by a report to the Board of Trustees on the operation of the systems, controls and on the discharge of the Governing Body's financial responsibilities.

The internal auditor's reports are reviewed in the first instance by the FAHRCT, who following discussion with the CFO and Finance Manager, disseminate to the Academies' Finance and Personnel Committees, making any recommendations for improvements to the control systems.

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the CEO 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 external auditor;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the FAHRCT 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 15 December 2020 and signed on their behalf by:



Professor Megan Crawford
Chair of Trustees



Mr Peter Barnes
Accounting Officer

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Kingsbridge Educational Trust I have considered my responsibility to notify the Multi Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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



.....
Peter Barnes
Accounting Officer
Date: 15 December 2020

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on its behalf by:



.....
Professor Megan Crawford
Chair of Trustees

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSBRIDGE EDUCATIONAL TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSBRIDGE EDUCATIONAL TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KINGSBRIDGE EDUCATIONAL TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Alexander Bottom ACA (senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House

51 Clarendon Road
Watford
Herts
WD17 1HP

Date: 18th December 2020

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
KINGSBRIDGE EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 July 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kingsbridge Educational Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Kingsbridge Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Kingsbridge Educational Trust's funding agreement with the Secretary of State for Education dated 1 December 2014 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
KINGSBRIDGE EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities;
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence;
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime; and
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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



Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: 

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

| | Note | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | 25,543 | - | 445,077 | 470,620 | 187,271 |
| Charitable activities | 4 | 914,687 | 17,421,045 | - | 18,335,732 | 16,590,860 |
| Other trading activities | 5 | 176,395 | - | - | 176,395 | 187,644 |
| Investments | 6 | 7,609 | - | - | 7,609 | 8,644 |
| Total income | | 1,124,234 | 17,421,045 | 445,077 | 18,990,356 | 16,974,419 |
| Expenditure on: | | | | | | |
| Charitable activities | 8 | 766,463 | 18,011,323 | 1,134,112 | 19,911,898 | 18,263,250 |
| Total expenditure | | 766,463 | 18,011,323 | 1,134,112 | 19,911,898 | 18,263,250 |
| Net income/(expenditure) | | 357,771 | (590,278) | (689,035) | (921,542) | (1,288,831) |
| Transfers between funds | 20 | (35,178) | (261,141) | 296,319 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 322,593 | (851,419) | (392,716) | (921,542) | (1,288,831) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 27 | - | (2,135,000) | - | (2,135,000) | (1,031,000) |
| Net movement in funds | | 322,593 | (2,986,419) | (392,716) | (3,056,542) | (2,319,831) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 1,889,135 | (5,469,087) | 58,957,416 | 55,377,464 | 57,697,295 |
| Net movement in funds | | 322,593 | (2,986,419) | (392,716) | (3,056,542) | (2,319,831) |
| Total funds carried forward | | 2,211,728 | (8,455,506) | 58,564,700 | 52,320,922 | 55,377,464 |

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

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09144847

BALANCE SHEET
AS AT 31 AUGUST 2020

| | Note | 2020 £ | 2019 £ |
|--|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Intangible assets | 16 | 15,039 | 27,793 |
| Tangible assets | 17 | 58,094,585 | 58,732,801 |
| | | <u>58,109,624</u> | <u>58,760,594</u> |
| Current assets | | | |
| Debtors | 18 | 682,261 | 658,920 |
| Cash at bank and in hand | | 3,547,501 | 3,104,008 |
| | | <u>4,229,762</u> | <u>3,762,928</u> |
| Creditors: amounts falling due within one year | 19 | (1,173,464) | (1,333,058) |
| Net current assets | | <u>3,056,298</u> | <u>2,429,870</u> |
| Total assets less current liabilities | | <u>61,165,922</u> | <u>61,190,464</u> |
| Net assets excluding pension liability | | <u>61,165,922</u> | <u>61,190,464</u> |
| Defined benefit pension scheme liability | 27 | (8,845,000) | (5,813,000) |
| Total net assets | | <u><u>52,320,922</u></u> | <u><u>55,377,464</u></u> |

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09144847

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

| | Note | 2020 £ | 2019 £ |
|--|------|-------------------|-------------------|
| Funds of the Academy Trust | | | |
| Restricted funds: | | | |
| Fixed asset funds | 20 | 58,564,700 | 58,957,416 |
| Restricted income funds | 20 | 389,494 | 343,913 |
| Restricted funds excluding pension asset | 20 | 58,954,194 | 59,301,329 |
| Pension reserve | 20 | (8,845,000) | (5,813,000) |
| Total restricted funds | 20 | 50,109,194 | 53,488,329 |
| Unrestricted income funds | 20 | 2,211,728 | 1,889,135 |
| Total funds | | 52,320,922 | 55,377,464 |

The financial statements on pages 24 to 63 were approved by the Trustees, and authorised for issue on 15 December 2020 and are signed on their behalf, by:


Professor Megan Crawford
 Chair of Trustees

The notes on pages 28 to 63 form part of these financial statements.

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

| | Note | 2020 £ | 2019 £ |
|---|--------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 22 | 466,449 | 553,364 |
| Cash flows from investing activities | 24 | (30,956) | (722,542) |
| Cash flows from financing activities | 23 | 8,000 | - |
| Change in cash and cash equivalents in the year | | 443,493 | (169,178) |
| Cash and cash equivalents at the beginning of the year | | 3,104,008 | 3,273,186 |
| Cash and cash equivalents at the end of the year | 25, 26 | <u>3,547,501</u> | <u>3,104,008</u> |

The notes on pages 28 to 63 from part of these financial statements

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Kingsbridge Educational Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

1.7 Intangible assets

Intangible assets costing £1,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.7 Intangible assets (continued)

Amortisation is provided on the following basis:

| | |
|-------------------|----------------------|
| Computer software | - 20 % straight line |
|-------------------|----------------------|

1.8 Tangible fixed assets

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

| | |
|------------------------------|--------------------------|
| Freehold property | - 2% straight line |
| Long-term leasehold property | - 1 - 2% straight line |
| Furniture and equipment | - 10 - 20% straight line |
| Computer equipment | - 10 - 20% straight line |
| Motor vehicles | - 10 - 20% straight line |

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

1.9 Debtors

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

1.10 Cash at bank and in hand

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

KINGSBRIDGE EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.11 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.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.13 Operating leases

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

1.14 Pensions

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

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

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

KINGSBRIDGE EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.14 Pensions (continued)

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.

1.15 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 31.

1.16 Fund accounting

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

Depreciation, amortisation and residual values

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

Impairment

The Trustees have considered the valuation of investments in tangible and intangible fixed assets. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired requiring the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Due to their nature, evaluating whether an asset is impaired or not requires a significant degree of judgement and may to a large extent depend on the assumptions made in its evaluation. The Trustees have concluded that the valuation of assets as at the year end are appropriate.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from donations and capital grants

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ |
|----------------|--|--|--|---------------------------------------|
| Donations | 25,543 | - | - | 25,543 |
| Capital Grants | - | - | 445,077 | 445,077 |
| | <u>25,543</u> | <u>-</u> | <u>445,077</u> | <u>470,620</u> |
| | | | | |
| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Restricted fixed asset funds 2019 £</i> | <i>Total funds 2019 £</i> |
| Donations | 22,378 | - | - | 22,378 |
| Capital Grants | - | - | 176,893 | 176,893 |
| | <u>22,378</u> | <u>(12,000)</u> | <u>176,893</u> | <u>187,271</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Academy Trust's educational activities

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|
| DfE/ESFA grants | | | |
| General annual grant (GAG) | - | 14,865,977 | 14,865,977 |
| Pupil premium | - | 554,478 | 554,478 |
| Rates relief | - | 145,467 | 145,467 |
| Other DfE grants | - | 1,210,527 | 1,210,527 |
| | - | 16,776,449 | 16,776,449 |
| Other Government Grants | | | |
| SEN funding | - | 350,696 | 350,696 |
| Local authority grants | - | 293,900 | 293,900 |
| | - | 644,596 | 644,596 |
| Other funding | | | |
| Trip income | 104,173 | - | 104,173 |
| Catering income | 416,571 | - | 416,571 |
| Examination income | 849 | - | 849 |
| Music income | 24,141 | - | 24,141 |
| School club income | 302,648 | - | 302,648 |
| Other income | 66,305 | - | 66,305 |
| | 914,687 | - | 914,687 |
| | 914,687 | 17,421,045 | 18,335,732 |

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FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy Trust's educational activities (continued)

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|--------------------------------|--|--|---------------------------------------|
| DfE/ESFA grants | | | |
| General annual grant (GAG) | - | 13,439,418 | 13,439,418 |
| Pupil premium | - | 492,096 | 492,096 |
| Rates relief | - | 143,667 | 143,667 |
| Other DfE grants | - | 596,960 | 596,960 |
| | - | 14,672,141 | 14,672,141 |
| Other Government Grants | | | |
| SEN funding | - | 235,285 | 235,285 |
| Local authority grants | - | 358,391 | 358,391 |
| | - | 593,676 | 593,676 |
| Other funding | | | |
| Trip income | 226,606 | - | 226,606 |
| Catering income | 527,362 | - | 527,362 |
| Examination income | 456 | - | 456 |
| Music income | 38,869 | - | 38,869 |
| School club income | 439,401 | - | 439,401 |
| Other income | 88,299 | 4,050 | 92,349 |
| | 1,320,993 | 4,050 | 1,325,043 |
| | 1,320,993 | 15,269,867 | 16,590,860 |

5. Income from other trading activities

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|----------------------------|--|---------------------------------------|
| Lettings income | 171,310 | 171,310 |
| Staff consultancy services | 5,085 | 5,085 |
| | 176,395 | 176,395 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Income from other trading activities (continued)

| | <i>Unrestricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|----------------------------|--|---------------------------------------|
| Lettings income | 179,145 | 179,145 |
| Staff consultancy services | 8,499 | 8,499 |
| | <u>187,644</u> | <u>187,644</u> |

6. Investment income

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|-------------------|--|---------------------------------------|
| Investment income | 7,609 | 7,609 |

| | <i>Unrestricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|-------------------|--|---------------------------------------|
| Investment income | 8,644 | 8,644 |

7. Expenditure

| | Staff Costs 2020 £ | Premises 2020 £ | Other 2020 £ | Total 2020 £ |
|-------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|
| Educational activities: | | | | |
| Direct costs | 12,507,262 | - | 827,366 | 13,334,628 |
| Allocated support costs | 2,112,697 | 2,148,749 | 2,315,824 | 6,577,270 |
| | <u>14,619,959</u> | <u>2,148,749</u> | <u>3,143,190</u> | <u>19,911,898</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure (continued)

| | <i>Staff Costs 2019 £</i> | <i>Premises 2019 £</i> | <i>Other 2019 £</i> | <i>Total 2019 £</i> |
|-------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|
| Educational activities: | | | | |
| Direct costs | 10,945,961 | - | 966,426 | 11,912,387 |
| Allocated support costs | 2,638,561 | 2,128,962 | 1,583,340 | 6,350,863 |
| | <u>13,584,522</u> | <u>2,128,962</u> | <u>2,549,766</u> | <u>18,263,250</u> |

8. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|------------------------|--|--|---------------------------------------|
| Educational activities | <u>766,463</u> | <u>19,145,435</u> | <u>19,911,898</u> |

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|------------------------|--|--|---------------------------------------|
| Educational activities | <u>1,061,696</u> | <u>17,201,554</u> | <u>18,263,250</u> |

9. Analysis of expenditure by activities

| | Activities undertaken directly 2020 £ | Support costs 2020 £ | Total funds 2020 £ |
|------------------------|--|---|---------------------------------------|
| Educational activities | <u>13,334,628</u> | <u>6,577,270</u> | <u>19,911,898</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities (continued)

| | <i>Activities undertaken directly 2019 £</i> | <i>Support costs 2019 £</i> | <i>Total funds 2019 £</i> |
|------------------------|--|---|---------------------------------------|
| Educational activities | 11,912,387 | 6,350,863 | 18,263,250 |

Analysis of direct costs

| | Educational activities 2020 £ | Total funds 2020 £ |
|-----------------------------|--|---------------------------------------|
| Staff costs | 12,507,261 | 12,507,261 |
| Educational supplies | 374,835 | 374,835 |
| Examination fees | 161,425 | 161,425 |
| Staff development | 35,165 | 35,165 |
| Technology costs | 53,177 | 53,177 |
| Educational consultancy | 64,127 | 64,127 |
| Legal and professional fees | 26,675 | 26,675 |
| School trips expenditure | 104,576 | 104,576 |
| Other costs | 7,387 | 7,387 |
| | 13,334,628 | 13,334,628 |

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

| | <i>Educational activities 2019 £</i> | <i>Total funds 2019 £</i> |
|-----------------------------|--|---------------------------------------|
| Staff costs | 10,945,961 | 10,945,961 |
| Educational supplies | 314,500 | 314,500 |
| Examination fees | 151,989 | 151,989 |
| Staff development | 36,216 | 36,216 |
| Technology costs | 74,901 | 74,901 |
| Educational consultancy | 124,422 | 124,422 |
| Legal and professional fees | 17,996 | 17,996 |
| School trips expenditure | 237,769 | 237,769 |
| Other costs | 8,633 | 8,633 |
| | <u>11,912,387</u> | <u>11,912,387</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Educational activities 2020 £ | Total funds 2020 £ |
|-----------------------------|--|---------------------------------------|
| Pension finance costs | 106,000 | 106,000 |
| Staff costs | 2,800,698 | 2,800,698 |
| Depreciation | 1,121,358 | 1,121,358 |
| Technology costs | 70,364 | 70,364 |
| Legal and professional fees | 136,087 | 136,087 |
| Recruitment | 30,048 | 30,048 |
| Maintenance of premises | 274,553 | 274,553 |
| Maintenance of equipment | 26,835 | 26,835 |
| Cleaning | 351,364 | 351,364 |
| Rent and rates | 145,464 | 145,464 |
| Energy | 258,243 | 258,243 |
| Insurance | 86,407 | 86,407 |
| Security | 38,542 | 38,542 |
| Catering | 731,935 | 731,935 |
| Bank interest and charges | 888 | 888 |
| Other costs | 350,783 | 350,783 |
| Other staff costs | 34,947 | 34,947 |
| Amortisation | 12,754 | 12,754 |
| | <u>6,577,270</u> | <u>6,577,270</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

| | <i>Educational activities 2019 £</i> | <i>Total funds 2019 £</i> |
|-----------------------------|--|---------------------------------------|
| Pension finance costs | 99,000 | 99,000 |
| Staff costs | 2,539,561 | 2,539,561 |
| Depreciation | 1,073,635 | 1,073,635 |
| Technology costs | 50,343 | 50,343 |
| Legal and professional fees | 150,570 | 150,570 |
| Recruitment | 29,521 | 29,521 |
| Maintenance of premises | 288,430 | 288,430 |
| Maintenance of equipment | 24,454 | 24,454 |
| Cleaning | 313,899 | 313,899 |
| Rent and rates | 138,164 | 138,164 |
| Energy | 314,834 | 314,834 |
| Insurance | 84,459 | 84,459 |
| Security | 34,835 | 34,835 |
| Catering | 833,447 | 833,447 |
| Bank interest and charges | 789 | 789 |
| Other costs | 313,745 | 313,745 |
| Other staff costs | 49,276 | 49,276 |
| Exp type 30 | 11,901 | 11,901 |
| | <u>6,350,863</u> | <u>6,350,863</u> |

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FOR THE YEAR ENDED 31 AUGUST 2020**

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2020 £ | 2019 £ |
|---------------------------------------|---------------|---------------|
| Depreciation of tangible fixed assets | 1,119,125 | 1,073,635 |
| Amortisation of intangible assets | 12,754 | 11,901 |
| Loss on disposal of fixed assets | 2,233 | - |
| Fees paid to auditor for: | | |
| - audit | 14,950 | 14,500 |
| - other services | 6,350 | 7,000 |
| | <u>14,950</u> | <u>14,500</u> |

11. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2020 £ | 2019 £ |
|---------------------------|-------------------|-------------------|
| Wages and salaries | 10,954,943 | 10,040,064 |
| Social security costs | 1,104,206 | 938,775 |
| Pension costs | 3,232,525 | 2,404,396 |
| | <u>15,291,674</u> | <u>13,383,235</u> |
| Agency staff costs | 16,285 | 82,287 |
| Staff restructuring costs | - | 20,000 |
| Other costs | 15 106,000 | 99,000 |
| | <u>15,413,959</u> | <u>13,584,522</u> |

Staff restructuring costs comprise:

| | | |
|--------------------|----------|---------------|
| Severance payments | <u>-</u> | <u>20,000</u> |
|--------------------|----------|---------------|

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2019: £20,000). Individually, the payments were: £nil (2019: £20,000).

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11. Staff (continued)

c. Staff numbers

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

| | 2020 No. | <i>2019 No.</i> |
|----------------------------|------------------------|------------------------|
| Teachers | 183 | <i>164</i> |
| Administration and support | 192 | <i>201</i> |
| Management | 29 | <i>37</i> |
| | <hr/> 404 <hr/> | <hr/> <i>402</i> <hr/> |

d. Higher paid staff

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

| | 2020 No. | <i>2019 No.</i> |
|---------------------------------|----------------------|----------------------|
| In the band £60,001 - £70,000 | 7 | <i>9</i> |
| In the band £70,001 - £80,000 | 5 | <i>3</i> |
| In the band £80,001 - £90,000 | 1 | <i>1</i> |
| In the band £100,001 - £110,000 | - | <i>1</i> |
| In the band £110,001 - £120,000 | 1 | <i>-</i> |
| In the band £130,001 - £140,000 | - | <i>1</i> |
| In the band £140,001 - £150,000 | 1 | <i>-</i> |
| | <hr/> 1 <hr/> | <hr/> <i>-</i> <hr/> |

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £364,425 (2019 £390,617).

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NOTES TO THE FINANCIAL STATEMENTS
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12. Central services

The Academy Trust has provided the following central services to its academies during the year:

- School improvement support
- Human resources support
- Financial management services
- Admissions and appeals management
- Governor services
- Outcomes support
- Safeguarding support
- Others as arising
- Marketing support

The Academy Trust charges for these services on the following basis:

Open schools contributed 5% of GAG funding to central services.

The actual amounts charged during the year were as follows:

| | 2020 | <i>2019</i> |
|------------------------|----------------|----------------|
| | £ | £ |
| Oakgrove School | 472,284 | <i>451,680</i> |
| Middleton School | 105,792 | <i>104,268</i> |
| Monkston School | 72,912 | <i>71,112</i> |
| Kents Hill Park School | 92,304 | <i>44,917</i> |
| Total | 743,292 | <i>671,977</i> |

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13. Trustees' remuneration and expenses

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

| | | 2020 | 2019 |
|-------------|----------------------------|--------------------------|--------------------------|
| | | £ | £ |
| Mr P Barnes | Remuneration | 140,000 - 145,000 | <i>135,000 - 140,000</i> |
| | Pension contributions paid | 30,000 - 35,000 | <i>20,000 - 25,000</i> |
| Mr I Tett | Remuneration | 110,000 - 115,000 | <i>105,000 - 110,000</i> |
| | Pension contributions paid | 25,000 - 30,000 | <i>15,000 - 20,000</i> |

During the year, retirement benefits were accruing to 2 Trustees (2019 - 2) in respect of defined benefit pension schemes.

During the year ended 31 August 2020, expenses totalling £2,237 were reimbursed or paid directly to 2 Trustees (2019 - £1,843 to 2 Trustees).

14. Trustees' and Officers' insurance

The 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 claim arising from negligent acts, errors or omissions occurring whilst on academy business and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

15. Other finance expense

| | 2020 | 2019 |
|---|------------------|------------------|
| | £ | £ |
| Interest income on pension scheme assets | 139,000 | <i>165,000</i> |
| Interest charge on pension scheme liabilities | (245,000) | <i>(264,000)</i> |
| | (106,000) | <i>(99,000)</i> |

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Intangible assets

| | Computer software £ |
|--------------------------|------------------------------------|
| Cost | |
| At 1 September 2019 | 43,901 |
| At 31 August 2020 | 43,901 |
| Amortisation | |
| At 1 September 2019 | 16,108 |
| Charge for the year | 12,754 |
| At 31 August 2020 | 28,862 |
| Net book value | |
| At 31 August 2020 | 15,039 |
| <i>At 31 August 2019</i> | <i>27,793</i> |

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Tangible fixed assets

| | Freehold property £ | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|--------------------------|---------------------------|---|------------------------------------|----------------------------|------------------------|------------|
| Cost or valuation | | | | | | |
| At 1 September 2019 | 24,594,632 | 35,048,000 | 1,034,136 | 718,526 | 5,051 | 61,400,345 |
| Additions | - | - | 416,196 | 67,446 | - | 483,642 |
| Disposals | - | - | (6,559) | - | - | (6,559) |
| At 31 August 2020 | 24,594,632 | 35,048,000 | 1,443,773 | 785,972 | 5,051 | 61,877,428 |
| Depreciation | | | | | | |
| At 1 September 2019 | 1,331,183 | 743,961 | 265,511 | 321,867 | 5,022 | 2,667,544 |
| Charge for the year | 456,144 | 346,973 | 166,737 | 149,242 | 29 | 1,119,125 |
| On disposals | - | - | (3,826) | - | - | (3,826) |
| At 31 August 2020 | 1,787,327 | 1,090,934 | 428,422 | 471,109 | 5,051 | 3,782,843 |
| Net book value | | | | | | |
| At 31 August 2020 | 22,807,305 | 33,957,066 | 1,015,351 | 314,863 | - | 58,094,585 |
| At 31 August 2019 | 23,263,449 | 34,304,039 | 768,625 | 396,659 | 29 | 58,732,801 |

Included in freehold property is freehold land at valuation of £3,876,400, which is not depreciated.

18. Debtors

| | 2020 £ | 2019 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| Trade debtors | 18,920 | 65,529 |
| VAT repayable | 83,857 | 152,676 |
| Other debtors | 13,109 | 1,053 |
| Prepayments and accrued income | 566,375 | 439,662 |
| | 682,261 | 658,920 |

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Creditors: Amounts falling due within one year

| | 2020 | <i>2019</i> |
|------------------------------------|------------------|-------------|
| | £ | £ |
| Other loans | 8,000 | - |
| Trade creditors | 475,898 | 635,325 |
| Other taxation and social security | 281,955 | 248,711 |
| Other creditors | 32,766 | 42,216 |
| Accruals and deferred income | 374,845 | 406,806 |
| | 1,173,464 | 1,333,058 |

The loan relates to a SALIX loan granted by the ESFA and is interest free.

At the balance sheet date the Academy Trust was holding grants received in advance for the autumn term 2020. The Trust was also holding funds received in advance for lessons and clubs booked for the autumn term.

| | 2020 | <i>2019</i> |
|--|------------------|-------------|
| | £ | £ |
| Deferred income at 1 September 2019 | 193,645 | 214,771 |
| Resources deferred during the year | 193,811 | 193,645 |
| Amounts released from previous periods | (193,645) | (214,771) |
| | 193,811 | 193,645 |

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2020 £ |
|-------------------------------------|--|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Unrestricted fund | 1,889,135 | 1,124,234 | (766,463) | (35,178) | - | 2,211,728 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 184,350 | 14,865,977 | (14,638,938) | (261,141) | - | 150,248 |
| Pupil Premium | 37,957 | 554,478 | (507,246) | - | - | 85,189 |
| NCTL/ Teaching School | 6,996 | 40,000 | (53,643) | - | - | (6,647) |
| Rates relief | - | 145,467 | (145,467) | - | - | - |
| Other DfE | - | 1,170,527 | (1,126,487) | - | - | 44,040 |
| MK Council playground grant | 79,671 | - | - | - | - | 79,671 |
| SEN | - | 350,696 | (350,696) | - | - | - |
| LA Looked After Child Funding | 34,939 | 4,730 | (2,676) | - | - | 36,993 |
| Other LA income | - | 289,170 | (289,170) | - | - | - |
| Pension reserve | (5,813,000) | - | (897,000) | - | (2,135,000) | (8,845,000) |
| | <u>(5,469,087)</u> | <u>17,421,045</u> | <u>(18,011,323)</u> | <u>(261,141)</u> | <u>(2,135,000)</u> | <u>(8,455,506)</u> |
| Restricted fixed asset funds | | | | | | |
| Tangible fixed assets | 58,732,801 | - | (1,121,358) | 483,142 | - | 58,094,585 |
| Intangible fixed assets | 27,793 | - | (12,754) | - | - | 15,039 |
| Devolved Capital Grant | 19,483 | 63,590 | - | (78,715) | - | 4,358 |
| MK Council Grant | 147,794 | - | - | (80,146) | - | 67,648 |
| Primary school set up grant | 29,545 | - | - | (19,961) | - | 9,584 |
| CIF funding | - | 381,487 | - | (8,001) | - | 373,486 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Statement of funds (continued)

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2020 £ |
|---------------------------------------|--|--------------------------|----------------------------|--------------------------|---------------------------|--------------------------------------|
| | <u>58,957,416</u> | <u>445,077</u> | <u>(1,134,112)</u> | <u>296,319</u> | <u>-</u> | <u>58,564,700</u> |
| Total Restricted funds | <u>53,488,329</u> | <u>17,866,122</u> | <u>(19,145,435)</u> | <u>35,178</u> | <u>(2,135,000)</u> | <u>50,109,194</u> |
| Total funds | <u><u>55,377,464</u></u> | <u><u>18,990,356</u></u> | <u><u>(19,911,898)</u></u> | <u><u>-</u></u> | <u><u>(2,135,000)</u></u> | <u><u>52,320,922</u></u> |

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

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited upon conversion and future GAG funding agreed by the ESFA is expected to be sufficient to take the fund back into surplus.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education & Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy.

Milton Keynes Council capital grant is to be used to maintain and improve school buildings. School fund income is derived largely from contributions from parents for school trips and also funds raised from charity events at the school.

The other material restricted general funds represent incoming resources for the following specific purposes:

(a) National College for Teaching and Leadership grants following Oakgrove School's designation as a Teaching School and the CEO's designation as a National Leader of Education, to fund research, coaching and mentoring costs.

(b) Statemented Pupil top up funding provided by the Local Authority to fund additional support for students with high level statements of special educational need.

(c) Pupil premium grant allocated for students known to have been eligible for free school meals in any of the previous 6 years. The funding is provided to raise the attainment of disadvantaged pupils and to close the gap between them and their peers.

The restricted fixed asset fund includes the freehold land and buildings and all material items of fixtures, fittings and equipment. Depreciation charged on assets is allocated to the fund.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

| | 2020 £ | <i>2019</i> <i>£</i> |
|--|-------------------------|-------------------------|
| Oakgrove School | 988,377 | <i>1,063,512</i> |
| Middleton School | 789,709 | <i>837,417</i> |
| Monkston School | 200,066 | <i>139,579</i> |
| Kents Hill Park School | 453,503 | <i>21,900</i> |
| Kingsbridge Educational Trust | 169,567 | <i>170,640</i> |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 2,601,222 | <i>2,233,048</i> |
| Restricted fixed asset fund | 58,564,700 | <i>58,957,416</i> |
| Pension reserve | (8,845,000) | <i>(5,813,000)</i> |
| | <hr/> | <hr/> |
| Total | 52,320,922 | <i>55,377,464</i> |
| | <hr/> <hr/> | <hr/> <hr/> |

KINGSBRIDGE EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Statement of funds (continued)

Total cost analysis by academy

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2020 £ |
|-------------------------------|---|--------------------------------------|------------------------------|---|--------------------|
| Oakgrove School | 8,033,261 | 868,340 | 511,377 | 1,452,123 | 10,865,101 |
| Middleton School | 1,813,142 | 233,706 | 81,182 | 376,994 | 2,505,024 |
| Monkston School | 1,228,455 | 290,172 | 76,748 | 196,759 | 1,792,134 |
| Kents Hill Park School | 1,201,722 | 247,569 | 124,498 | 434,018 | 2,007,807 |
| Kingsbridge Educational Trust | 230,681 | 1,266,911 | 33,562 | 89,320 | 1,620,474 |
| Academy Trust | 12,507,261 | 2,906,698 | 827,367 | 2,549,214 | 18,790,540 |

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2019 £ |
|-------------------------------|---|--------------------------------------|------------------------------|---|--------------------|
| Oakgrove School | 7,249,741 | 1,351,922 | 578,312 | 1,560,766 | 10,740,741 |
| Middleton School | 1,661,565 | 462,228 | 140,033 | 399,317 | 2,663,143 |
| Monkston School | 1,139,971 | 269,493 | 123,070 | 181,638 | 1,714,172 |
| Kents Hill Park School | 687,807 | 149,626 | 94,796 | 399,747 | 1,331,976 |
| Kingsbridge Educational Trust | 206,877 | 405,292 | 30,215 | 97,199 | 739,583 |
| Academy Trust | 10,945,961 | 2,638,561 | 966,426 | 2,638,667 | 17,189,615 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Statement of funds (continued)

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

| | <i>Balance at 1 September 2018 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2019 £</i> |
|-------------------------------------|--|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| Unrestricted funds | | | | | | |
| Unrestricted fund | <u>1,746,977</u> | <u>1,539,659</u> | <u>(1,073,597)</u> | <u>(323,904)</u> | <u>-</u> | <u>1,889,135</u> |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 271,295 | 13,439,418 | (13,296,508) | (229,855) | - | 184,350 |
| Pupil Premium | 1,041 | 492,096 | (455,180) | - | - | 37,957 |
| NCTL/ Teaching School | 665 | 40,000 | (33,669) | - | - | 6,996 |
| Rates relief | - | 143,667 | (143,667) | - | - | - |
| Other DfE | - | 556,960 | (556,960) | - | - | - |
| MK Council playground grant | 256,150 | - | (176,479) | - | - | 79,671 |
| MK Council pre opening grant | 77,290 | - | (77,290) | - | - | - |
| SEN | - | 235,285 | (235,285) | - | - | - |
| LA Looked After Child Funding | 17,478 | 25,906 | (8,445) | - | - | 34,939 |
| Other LA income | - | 332,485 | (332,485) | - | - | - |
| Other restricted income | 3,000 | 4,050 | (7,050) | - | - | - |
| Pension reserve | (3,977,000) | (12,000) | (793,000) | - | (1,031,000) | (5,813,000) |
| | <u>(3,350,081)</u> | <u>15,257,867</u> | <u>(16,116,018)</u> | <u>(229,855)</u> | <u>(1,031,000)</u> | <u>(5,469,087)</u> |
| Restricted fixed asset funds | | | | | | |
| Tangible fixed assets | 58,902,153 | - | (1,061,734) | 892,382 | - | 58,732,801 |
| Intangible fixed assets | 35,899 | - | (11,901) | 3,795 | - | 27,793 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Statement of funds (continued)

| | <i>Balance at 1 September 2018 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2019 £</i> |
|-------------------------------|--|--------------------------|----------------------------|-----------------------------------|----------------------------------|--|
| Devolved Capital Grant | 16,118 | 176,893 | - | (173,528) | - | 19,483 |
| MK Council Grant | 346,229 | - | - | (198,435) | - | 147,794 |
| Primary school set up grant | - | - | - | 29,545 | - | 29,545 |
| | <u>59,300,399</u> | <u>176,893</u> | <u>(1,073,635)</u> | <u>553,759</u> | <u>-</u> | <u>58,957,416</u> |
| Total Restricted funds | <u>55,950,318</u> | <u>15,434,760</u> | <u>(17,189,653)</u> | <u>323,904</u> | <u>(1,031,000)</u> | <u>53,488,329</u> |
| Total funds | <u><u>57,697,295</u></u> | <u><u>16,974,419</u></u> | <u><u>(18,263,250)</u></u> | <u><u>-</u></u> | <u><u>(1,031,000)</u></u> | <u><u>55,377,464</u></u> |

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 58,094,585 | 58,094,585 |
| Intangible fixed assets | - | - | 15,039 | 15,039 |
| Current assets | 2,211,728 | 1,562,957 | 455,076 | 4,229,761 |
| Creditors due within one year | - | (1,173,463) | - | (1,173,463) |
| Provisions for liabilities and charges | - | (8,845,000) | - | (8,845,000) |
| Total | <u><u>2,211,728</u></u> | <u><u>(8,455,506)</u></u> | <u><u>58,564,700</u></u> | <u><u>52,320,922</u></u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Restricted fixed asset funds 2019 £</i> | <i>Total funds 2019 £</i> |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 58,732,801 | 58,732,801 |
| Intangible fixed assets | - | - | 27,793 | 27,793 |
| Current assets | 1,889,135 | 1,676,971 | 196,822 | 3,762,928 |
| Creditors due within one year | - | (1,333,058) | - | (1,333,058) |
| Provisions for liabilities and charges | - | (5,813,000) | - | (5,813,000) |
| Total | 1,889,135 | (5,469,087) | 58,957,416 | 55,377,464 |

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

| | 2020 £ | 2019 £ |
|---|-------------------|--------------------|
| Net expenditure for the period (as per statement of financial activities) | (921,542) | (1,288,831) |
| Adjustments for: | | |
| Amortisation | 12,754 | 11,901 |
| Depreciation | 1,119,125 | 1,073,635 |
| Capital grants from DfE and other capital income | (445,077) | (176,893) |
| Interest receivable | (7,609) | (8,644) |
| Defined benefit pension scheme cost less contributions payable | 791,000 | 694,000 |
| Defined benefit pension scheme finance cost | 106,000 | 99,000 |
| Decrease in stocks | - | 372 |
| Increase in debtors | (23,340) | (294,136) |
| (Decrease)/increase in creditors | (167,095) | 430,960 |
| Pension inherited on new academies | - | 12,000 |
| Loss on disposal of fixed assets | 2,233 | - |
| Net cash provided by operating activities | 466,449 | 553,364 |

KINGSBRIDGE EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

23. Cash flows from financing activities

| | 2020 £ | 2019 £ |
|---------------------------------|--------------|-----------|
| Cash inflows from new borrowing | 8,000 | - |

24. Cash flows from investing activities

| | 2020 £ | 2019 £ |
|--|------------------|-----------|
| Dividends, interest and rents from investments | 7,609 | 8,644 |
| Purchase of intangible assets | - | (3,795) |
| Purchase of tangible fixed assets | (483,642) | (904,284) |
| Capital grants from DfE Group | 445,077 | 176,893 |
| Net cash used in investing activities | (30,956) | (722,542) |

25. Analysis of cash and cash equivalents

| | 2020 £ | 2019 £ |
|--|------------------|-----------|
| Cash in hand | 3,547,501 | 3,104,008 |
| Total cash and cash equivalents | 3,547,501 | 3,104,008 |

26. Analysis of changes in net debt

| | At 1 September 2019 £ | Cash flows £ | At 31 August 2020 £ |
|--------------------------|--------------------------------|-----------------|------------------------------|
| Cash at bank and in hand | 3,104,008 | 443,493 | 3,547,501 |
| Debt due within 1 year | - | (8,000) | (8,000) |
| | 3,104,008 | 435,493 | 3,539,501 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

27. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

27. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £2,128,662 (2019 - £1,428,703).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £794,000 (2019 - £699,000), of which employer's contributions totalled £612,000 (2019 - £535,000) and employees' contributions totalled £ 182,000 (2019 - £164,000). The agreed contribution rates for future years are 20 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note 1.14 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Principal actuarial assumptions

| | 2020 | <i>2019</i> |
|--|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 3.24 | <i>3.66</i> |
| Rate of increase for pensions in payment/inflation | 2.24 | <i>2.16</i> |
| Discount rate for scheme liabilities | 1.61 | <i>1.90</i> |

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

| | 2020 | <i>2019</i> |
|-----------------------------|--------------|--------------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 21.8 | <i>22.9</i> |
| Females | 25.1 | <i>24.8</i> |
| <i>Retiring in 20 years</i> | | |
| Males | 23.2 | <i>24.6</i> |
| Females | 26.6 | <i>26.7</i> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

27. Pension commitments (continued)

Share of scheme assets

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

| | 2020 £ | <i>2019</i> £ |
|-------------------------------------|------------------|------------------|
| Equities | 4,104,000 | <i>3,792,000</i> |
| Gilts | 789,000 | <i>832,000</i> |
| Corporate bonds | 1,173,000 | <i>1,003,000</i> |
| Property | 468,000 | <i>481,000</i> |
| Cash and other liquid assets | 196,000 | <i>226,000</i> |
| Investment funds | 688,000 | <i>679,000</i> |
| Alternative assets | 67,000 | <i>47,000</i> |
| Total market value of assets | 7,485,000 | <i>7,060,000</i> |

The actual return on scheme assets was £503,000 (2019 - £534,000).

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

| | 2020 £ | <i>2019</i> £ |
|---|--------------------|--------------------|
| Current service cost | (1,368,000) | <i>(1,045,000)</i> |
| Past service cost | - | <i>(170,000)</i> |
| Interest income | 139,000 | <i>165,000</i> |
| Interest cost | (245,000) | <i>(264,000)</i> |
| Benefit changes, gain/(loss) on settlement | (28,000) | <i>-</i> |
| Administrative expenses | (7,000) | <i>(14,000)</i> |
| Employer contributions | 612,000 | <i>535,000</i> |
| Total amount recognised in the Statement of financial activities | (897,000) | <i>(793,000)</i> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

27. Pension commitments (continued)

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

| | 2020 £ | 2019 £ |
|------------------------------------|-------------------|-------------------|
| At 1 September | 12,873,000 | 9,748,000 |
| Transferred in | - | 20,000 |
| Current service cost | 1,368,000 | 1,045,000 |
| Interest cost | 245,000 | 264,000 |
| Employee contributions | 182,000 | 164,000 |
| Actuarial losses | 1,814,000 | 1,400,000 |
| Benefits paid | 180,000 | 40,000 |
| Past service costs | - | 170,000 |
| Effects of non-routine settlements | (332,000) | 22,000 |
| At 31 August | 16,330,000 | 12,873,000 |

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

| | 2020 £ | 2019 £ |
|------------------------------------|------------------|------------------|
| At 1 September | 7,060,000 | 5,771,000 |
| Transferred in | - | 8,000 |
| Interest income | 139,000 | 165,000 |
| Actuarial (losses)/gains | (321,000) | 369,000 |
| Employer contributions | 612,000 | 535,000 |
| Employee contributions | 182,000 | 164,000 |
| Benefits paid | 180,000 | 40,000 |
| Effects of non-routine settlements | (360,000) | 12,000 |
| Admin expenses | (7,000) | (4,000) |
| At 31 August | 7,485,000 | 7,060,000 |

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FOR THE YEAR ENDED 31 AUGUST 2020

28. Operating lease commitments

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

| | 2020 £ | <i>2019</i> £ |
|--|----------------------|----------------------|
| Not later than 1 year | 39,089 | <i>34,050</i> |
| Later than 1 year and not later than 5 years | 51,507 | <i>40,933</i> |
| | <u>90,596</u> | <u><i>74,983</i></u> |

29. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

30. Related party transactions

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

The following related party transactions took place in the period of the account:

During the year, the Trust paid £nil (2019: £380) to Giles Brook School, a school in which S Summers is a Trustee. At the year end there was £nil (2019: £nil) due to Giles Brook School.

During the year, the Trust paid £nil (2019: £5,387) to Worktree Education, an organisation in which I Tett was a director (resigned on 10 January 2019). At the year end there was £nil (2019: £nil) due to Worktree Education.

O Tett, close family member of I Tett, a trustee, is employed by the academy trust on a casual basis as site support. O Tett's appointment was made in open competition and I Tett was not involved in the decision making process regarding appointment. O Tett is paid for their role and receives no special treatment as a result of their relationship to a trustee.

L Hellewell, close family member of I Tett, a trustee, is employed by the academy trust as a teacher. L Hellewell's appointment was made in open competition and I Tett was not involved in the decision making process regarding appointment. L Hellewell is paid for their role and receives no special treatment as a result of their relationship to a trustee.

L O'Neill, close family member of B O'Neill, a trustee, is employed by the academy trust as a teaching assistant. L O'Neill's appointment was made in open competition and B O'Neill was not involved in the decision making process regarding appointment. L O'Neill is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a trustee.

F O'Neill, close family member of B O'Neill, a trustee, is employed by the academy trust as a play club assistant. F O'Neill's appointment was made in open competition and B O'Neill was not involved in the decision making process regarding appointment. F O'Neill is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a trustee.

31. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020, the Trust received £19,358 (2019: £17,773) and distributed £27,173 (2019: £22,670) from the fund. An amount of £19,556 (2019: £27,371) is included in other creditors relating to undistributed funds that may be repayable to the ESFA if requested.