

Company Registration Number: 8339302 (England & Wales)

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**KINGSWAY COMMUNITY TRUST**

**(A Company Limited by Guarantee)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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**CONTENTS**

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	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 13
Governance Statement	14 - 18
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21 - 23
Independent Reporting Accountant's Report on Regularity	24 - 25
Statement of Financial Activities Incorporating Income and Expenditure Account	26
Balance Sheet	27 - 28
Statement of Cash Flows	29
Notes to the Financial Statements	30 - 54

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	A Yakas - Chair E Antrobus - Vice Chair J Roberts - Chair of Finance, Risk and Audit Committee W Simpson S Backen (appointed 22 October 2019) D Stansfield (appointed 1 September 2019)
<b>Trustees</b>	E Antrobus (resigned 31 August 2020) S Backen D Clemmett (appointed 15 September 2020) J Gawne A Malik (appointed 16 September 2020) C McLoughlin (resigned 20 December 2019) K Moran S Patel (appointed 15 September 2020) J Roberts C Thomas (resigned 31 August 2020) L Vyas A Yakas
<b>Company registered number</b>	8339302
<b>Company name</b>	Kingsway Community Trust
<b>Principal and registered office</b>	Ladybarn Primary School Briarfield Road Withington Manchester Manchester M20 4SR

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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<b>Company secretary</b>	S Beecher
<b>Chief executive officer</b>	L Vyas
<b>Senior leadership team</b>	L Vyas, Executive Head J Harriott, Head of School H Chase, Head of School I Caldwell, Acting Head of School J Swailes, Head of School
<b>Independent auditor</b>	Crowe U.K. LLP 3rd floor The Lexicon Mount Street Manchester M2 5NT
<b>Bankers</b>	Lloyds Bank 42-46 Market Street Manchester M1 1PW
<b>Solicitors</b>	Michelmores 48 Chancery Lane London WC2 1JF

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**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 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.

## **1. Structure, Governance and Management**

### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. Kingsway Community Trust (KCT), which is a Multi Academy Trust (MAT), was incorporated on 21 December 2012 and commenced its activities on transfer of Ladybarn Primary School and Green End Primary School from the Local Authority on 1 September 2013. Cringle Brook Primary School is a Free School, which subsequently joined KCT and opened in April 2014. The Trustees of KCT are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative details on page 1.

### **Members' Liability**

Each member of the 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.

### **Trustees' Indemnities**

The Trust has purchased indemnity insurance to protect the Trustees and Officers from claims arising in connection with the Academy's business. The insurance provides unlimited cover on any one claim.

### **Principal Activities**

KCT is committed to ensuring that every child succeeds highly during their time at the schools and this commitment is at the heart of everything the Trust does. Through excellent leadership and strong governance, high academic achievement, strong social skills and a sense of place in the world for every child is developed.

The Trust has a team of highly skilled teachers who deliver motivating lessons that challenge all children to achieve the best possible outcomes. Everything the children experience at Ladybarn, Green End and Cringle Brook is developed with the children in mind.

High standards from all our staff are expected and, in turn, expected from all children, with high attendance and excellent punctuality.

All parents are expected to be fully involved in their child's education and there are plenty of opportunities for them to participate in school life.

### **Method of Recruitment and Appointment or Election of Trustees**

The Members may agree, by majority vote, to appoint up to 2 additional trustees as they see fit and may unanimously, in writing, agree to remove any such additional members.

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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The Trustees of the KCT may appoint in accordance with the Articles of the Association, the following:

1. A minimum of two parent Trustees (Parent Trustees shall be elected or appointed by the Board).
2. Up to 10 Trustees, (the number of Trustees who are employees of the Trust cannot exceed one third of the total number of Trustees including the Executive Headteacher).
3. Appointment of Trustees needs to take into consideration the needs of the Trust and the contribution, skills and experience an individual can offer. This is done in conjunction with the skills audit (undertaken by the Trust board every two years) which identifies any skill gaps that may exist within the existing Trustees.

In the event of a vacancy, the Trust's Company Secretary will identify potential trustees, using Academy Ambassadors, Inspiring Governance or other relevant trustee recruitment portals. Suitability for appointment will be discussed and decided by the Board using criteria 3 above.

**Policies and Procedures Adopted for the Induction and Training of Trustees/Governors**

All Trustees and Governors are expected to undergo induction training in accordance with the Trust's Induction policy. Training provided for new Trustees/Governors depends upon their existing experience and is tailored specifically to their individual needs and experiences. Where necessary, training is provided on charity, educational, legal and financial matters.

The Chair of the Trust Board, Executive Headteacher and the SLT undertake training and induction of any new Governors and Trustees. As part of the induction process, all new Governors and Trustees are given a briefing on the aims, values and drivers of the Trust. Under normal circumstances, new trustees are given a tour of the facilities and an introduction to staff and students. Tours have not taken place during the period of Covid. All Governors and Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors and Trustees. All Governors and Trustees sign the Trust's Governance Code of Conduct, which includes adhering to the Nolan Principles of public life.

The Trust is a member of the National Governors Association (NGA) which provides access to training and support for Trustees/Governors. It also subscribes to the Confederation of Schools Trust and the Key for School Governors where governors and trustees can access governor support and information. During the year under review, Trustees/Governors have completed the following training:

- Chair's briefing presentation – Manchester City Council
- Safer recruitment - NSPCC
- Community MATs – National Governors Association (NGA)
- Trust curriculum changes and development
- National Governors' Conference and AGM - NGA
- New Governor Induction
- Level 1 Safeguarding

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Organisational Structure**

The Trust is governed by its Trust Board who are Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation. The organisational structure of the Trust consists of three levels – (i) the Trust Board (ii) the Executive Headteacher and (iii) the Senior Leadership team (SLT). The Trust Board is responsible for setting policy, strategy & monitoring the Trust's performance and there is a detailed Scheme of Delegation, which stipulates what tasks & responsibilities have been delegated to each committee. Certain elements are delegated to the following committees:

- Finance, Risk and Audit Committee (FRAC)
- Cringle Brook Local Governing Body
- Green End & Ladybarn Local Governing Body
- Personnel and Performance Management Committee
- Critical Incident Committee – this committee only comes into being if an emergency is declared such as Covid19 this year

The Executive Headteacher is also the Accounting Officer and has executive responsibility for implementing the strategy and policy agreed by the Trustees and reporting back to them. The Executive Headteacher is supported by the SLT.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trust has a robust and evidence-based methodology for setting executive pay. The Executive Headteacher's pay award is based on a combination of factors such as benchmarking with other MATS, clearly defined objectives/targets and advice from external expert consultants. The Personnel & Performance Management Committee (PPMC) agrees the award.

Other key management personnel pay awards are set using the National Teachers Pay and Conditions 2020 and individual salary ranges are agreed by the PPMC. Again, a methodology of clear objectives are set and only when these are achieved will increment awards within the Incremental Scale Range (ISR) be approved by the PPMC. The PPMC ensures that all the pay awards are transparent, proportionate and justifiable.

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**a. Trade Union Facility Time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	4.0
Full-time equivalent employee number	1.9

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	4
1%-50%	Nil
51%-99%	Nil
100%	Nil

**Percentage of pay bill spent on facility time**

Total cost of facility time	£ 1,600
Total pay bill	£ 5,072,436
Percentage of total pay bill spent on facility time	Nil %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	Nil %
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In addition to the total facility time costs is a payment of £6,261 that represents a payment to Manchester City Council (MCC) to allow KCT staff access to and support from MCC union representatives.

**b. Risk Management**

The Trust Board and the Senior Leadership Team (SLT) are responsible for identifying the risks faced by the Trust, establishing procedures to mitigate these risks and ensuring that employees are aware of these procedures and the implications of failing to implement them. They are satisfied that these procedures are consistent with the guidelines issued by the Charity Commission.

The Trust Board have assessed the major risks to which the Trust is exposed, in particular those relating to the buildings and related facilities, teaching and learning and the operations of the Academy. The Trust Board and the SLT have implemented a Risk Management system which identifies risks and necessary control measures to mitigate risks, both in terms of finance and operations.

Risk management is embedded in the governance of the Trust. The Finance, Risk and Audit Committee maintain an oversight on the Trust's Risk Management plan. Key risks identified are reviewed by the various Trust committees (Local Governing Bodies and the Finance, Risk and Audit Committee) and reported to the Trust Board.

**Connected Organisations and Related Party Relationships**

Although there are a number of professional links to other schools and third party organisations, the Trust is an independent company with no affiliations to outside bodies. The Trust also works closely with a wide variety of other bodies in the education sector.

None of these organisations are considered to constitute formal related parties.



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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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## **2. Objectives, Strategies and Activities, Objects and Aims**

### **Objectives, Strategies and Activities**

The Academy Trust's objective is to advance for the public benefit, education in the United Kingdom but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the primary schools' within the Trust, offering a broad and balanced curriculum.

#### **Our Trust**

- Provides a nurturing and safe environment where excellence and diversity are valued and celebrated;
- Creates enthusiasm for learning that will shape young people's lives and future chances;
- Enables children to build friendships and relationships through respect, teamwork and valuing their community;
- Harnesses all children's potential so that there are no limits as to what they can achieve;
- Never forget that we are at the heart of the community we serve.

In addition to the above aims, the Trust produces an Annual Trust Improvement Plan, which sets out the priorities for the forthcoming year as well as reviewing those of the past period. The plan covers the key improvement activities that take place through the school year. The Trust Board also produces an Annual Governance Development Plan.

### **Public Benefit**

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

## **3. Achievements and Performance**

### **Achievements in the Year**

What have been the academic successes this year?

The committed staff team have been able to take the Trust forward in a number of ways. This has resulted in continuing high standards of teaching and learning and excellent progress made across the three schools.

The Trust managed to remain open for all key worker and vulnerable children throughout the period of the Covid19 national lockdown and the respective schools' 'closure'. The provision for these children ensured they were supported, challenged and stimulated throughout. All key controls and risk management plans were regularly monitored via an emergency Trust Board committee, the Critical Incident Committee, which was convened at the start of the national lockdown and met every two weeks. Reports were also sent to the Local Authority for scrutiny.

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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The schools provided an excellent return to school for Reception, year 1 and year 6 children from June 2020 and extended the provision for working parents who needed childcare to return to work.

- Cringle Brook, Green End and Ladybarn have continued to maintain high standards of achievement, above national averages as measured to the point of school lockdown in March 2020.
- Internal monitoring and external quality assurance visits validated that teaching and learning is of a high standard, pupil attitude and behaviour is outstanding and expectations high.
- Pupil Premium - this was used to target children both individually and in groups to raise attainment and aspiration, develop a range of social skills and support children and their families.
- Sport and Primary PE grants - these have been used effectively and has resulted in an increase in both pupil participation in physical activity, teacher knowledge of PE and success in competitive sports across a broad range of areas in year 5 and 6.

**How Do School Leaders and Trustees/Governors Promote School Improvement?**

At KCT, all leaders have the children's safety, welfare and learning at the forefront of all decision making. Each member of the Senior Leadership Team is a leader of at least one aspect of the school's life, working as a strong team to improve learning and to raise standards. Pupil voice, through surveys and events and parent consultation, through regular surveys, mean that the whole school community is part of the consultation and decision making process. Trustees each have lead oversight in a key aspect of the Trust and meet with operational leads regularly throughout the academic year. The Executive Headteacher works with all aspects of the Trust community to identify priorities, plan and action developments for these and to closely monitor outcomes.

**How Much Progress Have Pupils Made?**

When children start in the Early Years and Foundation Stage they join us with a range of abilities and due to the focus we give individual needs and targets across the school, by the end of year 2 and year 6 the vast majority have made extremely good individual progress.

**Key Performance Indicators**

**How do school leaders and Trustees/Governors promote school improvement?**

The Trust Board monitors school improvement priorities through regular visits to the school for meetings to discuss progress, through in-depth analysis of both internal and external evidence. Quality Assurance School Improvement Reports undertaken by the Local Authority are also circulated to trustees and governors. It also spends time on scrutiny of documentation and ensures that a rigorous appraisal procedure of the Executive Headteacher and staff is adhered to. All staff, trustees and governors strive to ensure that all the children in the Trust work hard and achieve their highest potential.

Visits to the schools were temporarily halted in March 2020 due to Covid19 restrictions. Monitoring continued to take place through virtual meetings and scrutiny of documentation.

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

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**Assessment Outcomes 2020**

There are no results for Early Years Foundation Stage (EYFS), KS1 and KS2 as these assessments were cancelled by the Department of Education for this year due to the Covid 19 pandemic.

Internal data at the mid-year point indicates that ambitious end of year targets were on track to be achieved.

**Plans for the Future**

The Trust will continue to

- Strive to ensure that all students are able to realise their potential in both academic and non-academic terms.
- Be outward looking, encourage, and inspire everyone in our community to believe and achieve their best.
- Ensure that the curriculum is relevant and inspiring for our community and resources are stimulating and meet pupil needs.
- Identify the learning gaps that have resulted during Covid19 lockdown and ensure the curriculum is relevant considering the current pandemic circumstances.
- Keep up to date with new technologies, including enhanced online learning whilst at home due to Covid19 restrictions.
- Ensure appropriate access for all.

The key attendance target for 2019-20 is an absence rate of 3.5% in each school. However, these statistics have not been published this year due to the disruption caused by Covid19 pandemic. Internal data at the mid-year point indicated that the three schools were on track to achieve this.

**4. Financial Review**

Revenue income received in the year relates predominantly to grants received from the Education & Skills Funding Agency (ESFA) in the form of the General Annual Grant and Pupil Premium grant which are shown as Restricted General Funds in the Statement of Financial Activities.

A number of other grants have been received, the most significant being

- (i) Universal Free School Meals – this is a grant to provide all children from Reception to Year 2 with free school meals.
- (ii) Teachers' Pension Grant – this is a grant to fund the increase in the employers pension contributions resulting from the pension rate increasing from 16.48% to 23.68% in September 2019.
- (iii) Early Years – this partially funds the provision of places for the Nursery aged pupils.
- (iv) High Needs – this is specific funding for pupils who have an Education, Health and Care Plan.

In addition, all three schools undertook additional capital works. In the case of Cringle Brook, this was relating to their school's building programme and for Green End and Ladybarn the expenditure related to replacement of classroom touchscreens. In all three schools, the funding of this expenditure came from capital grants from the ESFA.

The Trust received total income of £6,730,826. Included in this figure is £25,610 relating to the fixed asset reserve leaving a balance of £6,705,216 of operating income. The Trust's total annual expenditure was £7,238,101. However, included in this total are the amounts of £227,715 relating to depreciation and £505,000 relating to the Local Government Pension scheme charge. This leaves a balance of £6,505,386 of operating expenditure.

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**KINGSWAY COMMUNITY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Principal Risks and Uncertainties**

The principal risks are reviewed by the Trustees.

The main financial risk facing the Trust has slightly altered due to the pandemic outbreak. Whilst some savings have been made (see below) the long term financial effect of changes to curriculum and increased provision to cater for Covid19 effects cannot be understated.

Another risk remains the potential reduction in the General Annual Grant from the ESFA, due to the future implementation of the National Funding Formula. However, the recent announcement by HM Government regarding additional funding for the education sector may mitigate this. However, due to the lack of precise funding details, this remains a high risk and the Trust is monitoring this closely.

In addition, the Trust has increasingly found that pupils being admitted to school have additional educational requirements. Not all of these additional support needs are funded by Manchester City Council. Therefore, this means each of the schools have to invest in additional support for these children, which puts additional financial burden on the Trusts financial position.

**Financial Strategy**

The purpose of this strategy is to outline the factors to be taken into account, and the drivers which should inform spending decisions within the Trust. All expenditure should be directed towards furtherance of the educational aims of the Trust. In order to support these aims, funds will be directed as appropriate toward the following areas:

- Maintenance of a high quality educational provision for all pupils, encompassing both core and a wide range of enrichment activities within the curriculum
- Maintenance of adequate levels of cash and working capital in order to endure financial security for the operations of the Trust
- The need to invest in capital projects as required to ensure that the estate and infrastructure remains fit for purpose and able to support the educational objectives of the Trust
- The need to invest in training and development of staff.

Where funds are limited, it will be necessary to prioritise expenditure. The following may be taken into account when prioritising expenditure:

- The educational needs of the pupils
- Maintenance of intergenerational equity, in order to ensure that all generations of pupils passing through the school receive the benefit of resources available
- The business case and expected benefits for new developments and capital projects
- The ability to defer capital projects or expenditure
- Achieving a mix of levels of experience in staff
- Evaluation of the effectiveness of ongoing initiatives
- Where possible, the Trust should seek to maximize financial resources available by such activities as:
  - Introducing income generating activities where appropriate (e.g. from use of facilities)
  - Ensuring that a value for money culture is embedded in the business, and good procurement practices are in place, including obtaining appropriate quotes before committing to expenditure, making use of established procurement frameworks and group purchasing opportunities
  - Ensuring that cash reserves are invested in interest bearing accounts
  - Ensuring that good financial processes and controls are embedded in the business to reduce the risk of financial losses and fraud.

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Reserves Policy**

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long term plan and any unforeseen contingencies subject to the levels permitted by the Department of Education. Currently there are no funds with a deficit other than the pension reserve. The Trustees updated its reserves policy and the key points are detailed below.

Reserves are held to ensure that the Trust has sufficient resources to continue to advance the education of pupils. There are a number of constraints placed upon academies in terms of financial management. One of these constraints is the inability to borrow funds. This constraint represents a key risk to KCT in relation to financial planning and monitoring. One of the ways in which KCT mitigates this risk is through the effective management of reserves, which provide alternative temporary funding streams should there be a delay in grant receipts or a sudden unforeseen increase in expenditure.

During the Covid19 national lockdown period (April 20 to Jul 20), some savings were made by the Trust. It has been agreed that these savings would be used to mitigate the impact of additional Covid expenditure for returning children in the following school year, 2020/21.

The total amount of funds at 31 August 2020 is £14,110,929. This includes a deficit on the pension reserve of £2,991,000. This restricted reserve deficit is because of the accounting for the Local Government Pension Scheme (LGPS) and does not mean that this liability is expected to crystallise immediately. Full reserve details and disclosures can be found in Note 19 of the financial statements.

The main financial risk to the Trust is that of managing its short term cash flow effectively. To mitigate this risk, it has been agreed that an appropriate reserves balance would consist of the following two factors:

1 – 8% of GAG income for each school which equates to the following for the 19-20 financial year

<u>School</u>	<u>Amount £</u>
Cringle Brook	85,616
Green End	153,269
Ladybarn	154,760
Total	<u>393,645</u>

2 – Contingency for unexpected one off repairs and an amount of £10,000 per school would be appropriate for such expenditure

This gives a combined minimum reserves figure of £423,645 across the Trust. The total of the unrestricted reserves as at 31 August 2020 was £1,350,623. The remaining balance of £926,978 will be used to fund future year deficits and allow a smoother transition to any changes in financial budgets, given the (i) uncertainty over cost pressures due to Covid19 and (ii) uncertainty over funding levels, (implementation of the National Funding Formula) and (iii) increasing cost pressures (pay awards and pension costs).

The following restrictions should be noted regarding the reserves. The EFSA are able to set limits on the sum of GAG that can be carried forward from one year to the next. There are currently no limits in place. Also, the DfE does expect academies to use their allocated funding for the full benefit of their current pupils.

Therefore, the Trust will not build up a substantial surplus without having in place a clear plan for how it will be used to benefit our pupils. Finally, the use of reserves is subject to approval by the Trust's Finance Risk & Audit Committee.

The Trustees are responsible for ensuring the funds are maintained and that reserves are used only as described in this policy. Access to reserves requires analysis of the reason for the request of reserves, the availability of any other sources of funds before using reserves and evaluation of the time period that the funds

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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will be required. Authorisation to use the reserves should be obtained at the next Finance Risk & Audit Committee meeting. Upon approval, the Trust will keep a record of the use of these funds.

The Trustees intend to review the reserve levels of the Trust annually. This review will consider the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. A cautious and low risk approach has been taken in forecasts of both income and expenditure.

#### **Investment Policy and Powers**

The Trust has developed finance and investment strategy that would allow any surplus funds to be deposited in an interest bearing account. At present this will be dependent on cash flow.

#### **Financial Oversight**

As the Trust Board meets less than 6 times a year, the Trust has to ensure it has sufficient mechanisms in place to ensure robust governance and effective financial management is maintained. This is done by the management accounts being issued on a monthly basis to all members of the Trust Board. This ensures there is full transparency over the financial position of the Trust.

#### **Fundraising**

The Trustees are committed to ensuring that fundraising activities are carried out in an ethical manner. In doing so, the Trust will adhere to the following standards:

- The Trustees will have regard to the Charity commissions publication 'Charity Fundraising' (CC20)
- Fundraising activities carried out by the school will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the school's stated mission and purpose.
- All personal information collected by the school is confidential and is not for sale or to be given away or disclosed to any third party without consent.
- Nobody directly or indirectly employed by or volunteering for the school shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the school.
- Financial contributions will only be accepted from companies, organisations and individuals the Board considers ethical. All Trustees, temporary & permanent staff and volunteers are responsible for adhering to these procedures.
- Any fundraising activity will report regularly to the FRAC, including tabling of meeting minutes at full Trustees meetings.
- Fundraising activities should not be undertaken if they will expose the organisation to significant financial risk.
- Complaints will be dealt with in accordance with the Charity Commissions guide CC20.

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

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**Going Concern**

Over 95% of the Trust's income is derived from other public bodies, such as the ESFA and the Local Authority. Therefore, during the current Covid 19 pandemic, these income streams have remained stable. Also, whilst the Trust had some additional costs associated with the pandemic, the Trust also made some cost savings. Therefore, overall, the Trustees believe that there is no significant adverse financial impact as a result of this current pandemic.

After making appropriate enquiries, the Trust Board has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

**Disclosure of Information to Auditor**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 7/12/20 and signed on its behalf by:



**A Yakas**  
Chair of Board



**L Vyas**  
Accounting Officer

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**KINGSWAY COMMUNITY TRUST**  
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**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

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

The Trust Board has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between KCT and the Secretary of State for Education. They are also responsible for reporting to the Trust Board 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 Trust Board Trustees has formally met 3 times during the year until March 2020 when full lockdown of the country due to Covid19 was declared.

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

Trustee	Meetings attended	Out of a possible
E Antrobus	1	3
J Gawne	2	3
K Moran	2	3
C McLoughlin	2	2
J Roberts	2	3
C Thomas	3	3
L Vyas	3	3
A Yakas (Chair)	3	3

Following Covid19 lockdown the Trust's Critical Incident Committee (CIC) was convened. This Committee comes into being when an emergency, such as Covid 19, has been declared. The Trust Board delegated its role to the Committee of 6 trustees. Its terms of reference can be seen in the Trust's Disaster Recovery Policy and Procedures. The committee met every two weeks till beginning of July 2020.

The Critical Incident Committee is a new short term committee set up this year in response to the Covid 19 pandemic and the resulting additional risk and response needed from school leadership at this time. This committee included the Chair and Vice Chair of the Trust Board, the Trustee with responsibility for finance, the chairs of the LGBs and the Executive Headteacher. They met on a fortnightly basis during the summer term and had delegated powers to take decisions regarding risk management and procedural changes during this period of school partial opening and preparation for wider opening. During the time this committee was active, the Trust Board decision making powers were delegated to this committee. The Local Governing Boards and Performance & Pay Committee were put on hold and only met for information purposes.



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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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Attendance during the year at the CIC meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Backen	5	5
J Gawne	5	5
K Moran	0	5
J Roberts	4	5
L Vyas	5	5
A Yakas (Chair)	5	5

The Trust board has determined that it is able to convene four times a year and maintain effective oversight, particularly as the Chair of the Board meets regularly with the Executive Headteacher to monitor progress and is kept informed of any pertinent matters, which may arise from time to time. Trustees receive regular monthly management accounts relating to the financial position and, from time to time, are provided with other relevant reports relating to matters at the School. Email communications have continued to prove to be an effective way in which to keep Trustees informed between meetings. Very occasionally, it has been necessary for the board to hold meetings outside of its prescribed schedule. In these circumstances, arrangements have been coordinated by the Clerk, with ability for Trustees to video conference to ensure maximum possible attendance. This practice will be repeated in future, if required. Trustees are also encouraged to visit any of the schools at any time to meet with the Executive Headteacher and other employees or simply to observe aspects of the school day.

The Finance Risk and Audit Committee (FRAC) is a sub committee of the main Trust Board. Its purpose is to ensure that the schools operate within all appropriate Financial Regulations and to guide and assist the Executive Headteacher, the Heads of School and the Trust Board in all budget and financial matters. Its purpose is also to review the overall risk profile of the Multi Academy Trust (MAT) and to monitor the risk management techniques employed at all levels within the Trust. In addition, it reviews the effectiveness of financial controls and advises the governing body of all aspects of audit.

During the period the FRAC reviewed and approved a number of key policies. The committee reviewed revised and enhanced budget monitoring reports. All ESFA submissions are approved by the Accounting Officer and monitored by FRAC to ensure ESFA reporting deadlines are being met. During the period, the trust members approved the re appointment of external auditors for a fifth year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Backen	3	5
J Roberts (Chair)	5	5
L Vyas	5	5
A Yakas	5	5

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of Value for Money**

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Trust Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Review of contracts in place to identify opportunities to negotiate better terms and/or reduce the utilisation of goods and services to ensure a better return from the money spent and services provided.
- Further rigour in assessing the financial position over the longer term.
- Identification of improvements to financial controls/systems to reduce the risk of improper use of public money

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. ~~The system of internal control is based on an on-going process~~ designed to identify and prioritise the risks to the achievement of Academy 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 Kingsway Community 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.

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Capacity to Handle Risk**

The Trust Board has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, which 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 Trust Board.

**Key risks**

The board of Trustees consider the key risks facing the trust and their mitigating factors to be the following:

**Covid 19 pandemic**

The national pandemic provides a number of significant risks for the Trust. These range from staff availability (due to infection or needing to self isolate), potential closure of the buildings due to National Government ruling and the long term impact on the children's educational and mental health.

**Government policy on funding**

If there is an unexpected drop in income because of government policy changes this could result in a deficit budget. The board consider that they have the requisite level of unrestricted funds in place to minimise this risk

**New intake of children in September**

Across the Trust, there are annually 150 children in each new September intake. Staff have no knowledge of the number of children who will have Special Educational Needs (SEN) needs and therefore there are budget implications for support, Educational Health Care Plan (EHCP) process and Educational Psychology costs. This also applies to pupils starting school mid year and where a parent names the school on their EHCP when not currently attending. The financial implications are very hard to predict.

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and 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
- delegation of authority and segregation of duties
- identification and management of risks

The FRAC considered the need for a specific internal audit function and decided to have the following internal audit carried out during the financial year:

- (i) An audit of the Trusts internal controls and management of the following areas (a) income, (b) cash (c) payroll and personnel management. The selection of these areas was based on the Trusts own risk assessment of its internal controls. This audit was carried out by a company that specialises in internal audits for schools, Red Rambler, in July 2020. The subsequent reports were tabled at the Trustees meeting held in September 2020 and it was noted that the overall risk was graded as low.

**Review of Effectiveness**

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

- the work of the external auditor
- the work of the internal auditor company;
- the financial management and governance self-assessment process;
- the work of the Finance & Premises Director who has 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 FRAC and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees and signed on their behalf by:



A Yakas  
Chair of Board

Date: 7/12/20



L Vyas  
Accounting Officer

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Kingsway Community Trust I have considered my responsibility to notify the 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 all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



7.12.20

L Vyas  
Accounting Officer  
Date:

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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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:

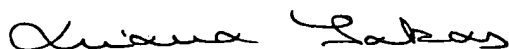
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 and signed on its behalf by:



**A Yakas**

Chair of Board

Date: 7/12/20

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**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
KINGSWAY COMMUNITY TRUST**

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**Opinion**

We have audited the financial statements of Kingsway Community 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.

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**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.

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**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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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.

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.



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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**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.

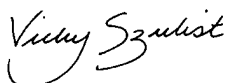
**Auditor's responsibilities for the audit of the financial statements**

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](http://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 trustees, 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 trustees 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 trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



**Vicky Szulist (Senior Statutory Auditor)**

for and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

Date: 11th December 2020

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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In accordance with the terms of our engagement letter dated 29 September 2020 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 Kingsway Community 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 Kingsway Community Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kingsway Community 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 Kingsway Community Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Kingsway Community Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Kingsway Community Trust's funding agreement with the Secretary of State for Education dated 24 January 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**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.

*Crowe UK LLP*

Crowe U.K. LLP

Statutory Auditor

3rd floor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

Date: 11th December 2020

**KINGSWAY COMMUNITY 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 £
<b>Income from:</b>						
Donations and capital grants	3	-	-	25,610	25,610	94,476
Charitable activities		-	6,557,471	-	6,557,471	6,116,616
Other trading activities		141,808	-	-	141,808	202,793
Investments	6	5,937	-	-	5,937	5,474
<b>Total income</b>		<b>147,745</b>	<b>6,557,471</b>	<b>25,610</b>	<b>6,730,826</b>	<b>6,419,359</b>
<b>Expenditure on:</b>						
Charitable activities		80,650	6,929,736	227,715	7,238,101	6,843,142
<b>Total expenditure</b>		<b>80,650</b>	<b>6,929,736</b>	<b>227,715</b>	<b>7,238,101</b>	<b>6,843,142</b>
<b>Net income/(expenditure)</b>		<b>67,095</b>	<b>(372,265)</b>	<b>(202,105)</b>	<b>(507,275)</b>	<b>(423,783)</b>
Transfers between funds	19	(40,849)	40,849	-	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>26,246</b>	<b>(331,416)</b>	<b>(202,105)</b>	<b>(507,275)</b>	<b>(423,783)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	24,000	-	24,000	(1,077,000)
<b>Net movement in funds</b>		<b>26,246</b>	<b>(307,416)</b>	<b>(202,105)</b>	<b>(483,275)</b>	<b>(1,500,783)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,243,727	(2,129,181)	15,479,658	14,594,204	16,094,987
Net movement in funds		26,246	(307,416)	(202,105)	(483,275)	(1,500,783)
<b>Total funds carried forward</b>		<b>1,269,973</b>	<b>(2,436,597)</b>	<b>15,277,553</b>	<b>14,110,929</b>	<b>14,594,204</b>

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

The notes on pages 30 to 54 form part of these financial statements.

**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 8339302**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	15,202,963	15,418,070
		<u>15,202,963</u>	<u>15,418,070</u>
<b>Current assets</b>			
Debtors	15	197,736	205,836
Cash at bank and in hand		1,963,624	1,725,963
		<u>2,161,360</u>	<u>1,931,799</u>
Creditors: amounts falling due within one year	16	(255,861)	(236,953)
<b>Net current assets</b>		<u>1,905,499</u>	<u>1,694,846</u>
<b>Total assets less current liabilities</b>		<u>17,108,462</u>	<u>17,112,916</u>
Creditors: amounts falling due after more than one year	17	(6,533)	(8,712)
<b>Net assets excluding pension liability</b>		<u>17,101,929</u>	<u>17,104,204</u>
Defined benefit pension scheme liability	26	(2,991,000)	(2,510,000)
<b>Total net assets</b>		<u><u>14,110,929</u></u>	<u><u>14,594,204</u></u>

**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 8339302**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	15,277,553	15,479,658
Restricted income funds	19	473,753	380,819
Restricted funds excluding pension asset	19	15,751,306	15,860,477
Pension reserve	19	(2,991,000)	(2,510,000)
<b>Total restricted funds</b>	19	12,760,306	13,350,477
<b>Unrestricted income funds</b>	19	1,350,623	1,243,727
<b>Total funds</b>		<u>14,110,929</u>	<u>14,594,204</u>

The financial statements on pages 26 to 54 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



**A Yakas**  
**(Chair of Trustees)**

Date: 7/12/20

The notes on pages 30 to 54 form part of these financial statements.

**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	220,900	80,394
<b>Cash flows from investing activities</b>	23	18,939	48,645
<b>Cash flows from financing activities</b>	22	(2,178)	(2,177)
<b>Change in cash and cash equivalents in the year</b>		237,661	126,862
Cash and cash equivalents at the beginning of the year		1,725,963	1,599,101
<b>Cash and cash equivalents at the end of the year</b>	24, 25	<u>1,963,624</u>	<u>1,725,963</u>

The notes on pages 30 to 54 form part of these financial statements

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**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.

Kingsway Community Trust meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

The Trust continues to attract a high number of pupils and the September 2019 Reception intakes were oversubscribed. In conjunction with Manchester City Council Local Education Authority, the Trust confidently projects that the schools will continue to be oversubscribed for entry into the Reception year group.

The General Annual Grant (GAG) funding is currently directly linked to pupil numbers and therefore the trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. In addition, current funding allocates a significant amount of additional funding through the Pupil Premium for students who have been registered for free school meals at any point in the last six years (known as 'Ever 6 FSM'). The Trust currently has high numbers of its pupils in receipt of this funding which significantly increases the funds available. Future projections indicate that current levels of students entitled to the Pupil Premium will remain relatively stable over the next few years.

The three year financial projections for the Trust show in year deficits in each of the three years. However, the Trust also carries healthy cash reserves which would be able to act as a buffer in these future years.

Over 95% of the Trust's income is derived from other public bodies, such as the ESFA and the Local Authority. Therefore, during the current Covid 19 pandemic, these income streams have remained stable. Also, whilst the Trust had some additional costs associated with the pandemic, the Trust also made some cost savings. Therefore, overall, the Trustees believe that there is no significant adverse financial impact as a result of this current pandemic.

For these reasons the Trust continues to adopt the going concern basis in preparing the financial statements.



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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting policies (continued)**

**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.

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy Trust, can be reliably measured.

- **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.

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting policies (continued)**

**1.4 Expenditure**

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

- **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 Tangible fixed assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the income and expenditure account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the income and expenditure account. 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 assets, less their residual value, over their expected useful life on the following bases:

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Furniture and equipment	- 10% straight line
Computer equipment	- 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 income and expenditure account.

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting policies (continued)**

**1.6 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.

**1.7 Cash at bank and in hand**

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

**1.8 Liabilities**

Liabilities and provisions 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 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.9 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 15. Prepayments are not financial instruments. Amounts due to the 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 notes 16 and 17. 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.

**1.10 Operating leases**

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

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting policies (continued)**

**1.11 Pensions**

Retirement benefits to employees of the 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 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. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.12 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 Education and Skills Funding Agency.

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

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**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 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 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.

**3. Income from donations and capital grants**

	<b>Restricted fixed asset funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Capital Grants	25,610	25,610	94,476
	<hr/>	<hr/>	<hr/>
<i>Total 2019</i>	94,476	94,476	
	<hr/>	<hr/>	

**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

**4. Funding for the Trust's educational operations**

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DfE/ESFA grants</b>			
General annual grant (GAG)	4,928,055	4,928,055	4,777,830
Other DfE/EFA grants	1,068,724	1,068,724	844,225
Local authority grants	560,692	560,692	494,561
<b>Total 2020</b>	<b>6,557,471</b>	<b>6,557,471</b>	<b>6,116,616</b>
<b>Total 2019</b>	<b>6,116,616</b>	<b>6,116,616</b>	

**5. Activities for generating funds**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Other income including catering income, trips and hire income	141,808	141,808	202,793
<b>Total 2019</b>	<b>202,793</b>	<b>202,793</b>	

**6. Bank and building society interest**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank and building society interest	5,937	5,937	5,474
<b>Total 2019</b>	<b>5,474</b>	<b>5,474</b>	

**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

**7. Analysis of expenditure by activities**

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Funding for educational operations	5,010,598	2,227,503	7,238,101	6,843,142
<i>Total 2019</i>	<i>4,756,278</i>	<i>2,086,864</i>	<i>6,843,142</i>	

**Analysis of direct costs**

	Total funds 2020 £	Total funds 2019 £
Staff costs	4,572,938	4,253,193
Educational supplies and services	426,185	493,371
Staff development	11,475	9,714
<b>Total 2020</b>	<b>5,010,598</b>	<b>4,756,278</b>

**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Staff costs	705,707	695,840
LGPS Actuarial valuation pension adjustment	453,000	301,000
Depreciation	227,715	227,233
Maintenance of premises and equipment	297,295	266,410
Rent and rates	17,550	16,608
Insurance	21,314	22,860
Interest and finance costs	2,148	2,735
LGPS finance costs	52,000	34,000
Other support costs	402,327	476,460
Governance costs	48,447	43,718
<b>Total 2020</b>	<b>2,227,503</b>	<b>2,086,864</b>

**8. Expenditure**

	<b>Staff Costs 2020 £</b>	<b>Premises 2020 £</b>	<b>Other 2020 £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Funding for educational operations:					
Direct costs	4,572,938	-	437,660	5,010,598	4,756,278
Allocated support costs	1,158,707	486,350	582,446	2,227,503	2,086,864
<b>Total 2020</b>	<b>5,731,645</b>	<b>486,350</b>	<b>1,020,106</b>	<b>7,238,101</b>	<b>6,843,142</b>
<b>Total 2019</b>	<b>5,250,033</b>	<b>455,803</b>	<b>1,137,306</b>	<b>6,843,142</b>	



**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets - owned by the charity	227,715	227,233
Operating lease rental expenditure	4,678	5,956
	<u>227,715</u>	<u>227,233</u>

**10. Auditor's remuneration**

	2020 £	2019 £
Fees payable to the Academy Trust's auditor for the audit of the Academy Trust's annual accounts	11,000	11,000
Fees payable to the Academy Trust's auditor in respect of: Non audit services	3,120	3,060
	<u>11,000</u>	<u>11,000</u>

**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,951,514	3,828,308
Social security costs	336,818	333,578
Pension costs	788,961	618,624
LGPS Actuarial valuation pension adjustment	453,000	301,000
	<u>5,530,293</u>	<u>5,081,510</u>
Agency staff costs	201,352	168,523
	<u>5,731,645</u>	<u>5,250,033</u>

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**11. Staff (continued)**

**b. Staff numbers**

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

	2020 No.	2019 No.
Teachers	58	56
Administration and support	141	137
Management	4	4
	<u>203</u>	<u>197</u>

**c. Higher paid staff**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	2	1
In the band £130,001 - £140,000	<u>1</u>	<u>1</u>

**d. 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 £480,446 (2019 £440,400).

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**12. 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 £
Executive Headteacher	Remuneration	135,000 - 140,000	135,000 - 140,000
	Pension contributions paid	30,000 - 35,000	20,000 - 25,000
Staff trustee (left December 2019)	Remuneration	5,000 - 10,000	15,000 - 20,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year ended 31 August 2020, expenses totalling £338 were reimbursed or paid directly to 1 Trustee (2019 - £221 to 1 Trustee).

**13. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2020 was £21,314 (2019 - £22,760). The cost of this insurance is included in the total insurance cost.

**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

**14. Tangible fixed assets**

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2019	15,891,429	592,034	31,776	16,515,239
Additions	-	12,608	-	12,608
At 31 August 2020	15,891,429	604,642	31,776	16,527,847
<b>Depreciation</b>				
At 1 September 2019	832,020	233,793	31,356	1,097,169
Charge for the year	166,829	60,466	420	227,715
At 31 August 2020	998,849	294,259	31,776	1,324,884
<b>Net book value</b>				
At 31 August 2020	14,892,580	310,383	-	15,202,963
At 31 August 2019	15,059,409	358,241	420	15,418,070

**15. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	750	2,378
Other debtors	15,986	19,411
Prepayments and accrued income	181,000	184,047
	197,736	205,836

**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

**16. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Other loans	2,178	2,177
ESFA Creditor	162	-
Trade creditors	54,739	65,183
Other creditors	15,446	12,748
Accruals and deferred income	183,336	156,845
	<u>255,861</u>	<u>236,953</u>

**17. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Other loans	<u>6,533</u>	<u>8,712</u>

Other loans represent an interest free loan of £8,711 (2019 : £10,889) from Salix which is repayable over 8 years in half yearly installments of £1,088, commencing September 2016.

**18. Financial instruments**

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>1,966,599</u>	<u>1,728,362</u>
	2020 £	2019 £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>175,157</u>	<u>160,868</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise ESFA creditor, other loans, other creditors and accruals

**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

**19. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General Funds- all funds	1,243,727	147,745	-	(40,849)	-	1,350,623
<b>Restricted general funds</b>						
General Annual Grant (GAG)	380,819	4,928,055	(4,875,970)	40,849	-	473,753
DfE/ESFA grants	-	483,058	(483,058)	-	-	-
Pupil-premium	-	585,666	(585,666)	-	-	-
LEA grants	-	560,692	(560,692)	-	-	-
Pension reserve	(2,510,000)	-	(505,000)	-	24,000	(2,991,000)
	<u>(2,129,181)</u>	<u>6,557,471</u>	<u>(7,010,386)</u>	<u>40,849</u>	<u>24,000</u>	<u>(2,517,247)</u>
<b>Restricted fixed asset funds</b>						
Land and buildings	15,479,658	25,610	(227,715)	-	-	15,277,553
<b>Total Restricted funds</b>	<u>13,350,477</u>	<u>6,583,081</u>	<u>(7,238,101)</u>	<u>40,849</u>	<u>24,000</u>	<u>12,760,306</u>
<b>Total funds</b>	<u>14,594,204</u>	<u>6,730,826</u>	<u>(7,238,101)</u>	<u>-</u>	<u>24,000</u>	<u>14,110,929</u>

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

**Restricted General Funds** are used specifically to provide educational resources for the pupils of the Trust.

**General Annual Grant Funds**

Under the funding agreement with the Secretary of State, the Trust must use these funds for the normal running expenses of the school, and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

**Other DfE/ESFA Grants**

These comprise additional funding received for furtherance of education, which must be used in accordance with the specific terms of each grant.

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**19. Statement of funds (continued)**

**Pension Reserve**

This represents the recognition of the Trust's share of the Local Government Pension Scheme deficit.

Other funds within restricted general funds are restricted and spent in line with the criteria attached to them.

**Restricted Fixed Asset Funds** provide for the installation, maintenance and repair of the fixed assets of the Trust.

**Unrestricted Funds** are those other resources which may be used to further the objectives of the Trust.

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

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Ladybarn	872,391	791,741
Green End	490,340	454,427
Cringle Brook	461,645	378,378
Total before fixed asset funds and pension reserve	1,824,376	1,624,546
Restricted fixed asset fund	15,277,553	15,479,658
Pension reserve	(2,991,000)	(2,510,000)
<b>Total</b>	<b>14,110,929</b>	<b>14,594,204</b>

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**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

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**19. 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 £	Total 2019 £
Ladybarn	1,797,241	282,718	145,743	368,338	2,594,040	2,619,174
Green End	1,773,058	283,611	146,900	459,570	2,663,139	2,573,606
Cringle Brook	806,142	134,522	89,219	218,324	1,248,207	1,088,129
<b>Total</b>	<b>4,376,441</b>	<b>700,851</b>	<b>381,862</b>	<b>1,046,232</b>	<b>6,505,386</b>	<b>6,280,909</b>



**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

**19. Statement of funds (continued)**

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds- all funds	1,111,848	208,267	-	(76,388)	-	1,243,727
<b>Restricted general funds</b>						
General Annual Grant (GAG)	468,724	4,777,830	(4,942,123)	76,388	-	380,819
DfE/ESFA grants	-	252,275	(252,275)	-	-	-
Pupil premium	-	591,949	(591,949)	-	-	-
LEA grants	-	494,562	(494,562)	-	-	-
Pension reserve	(1,098,000)	-	(335,000)	-	(1,077,000)	(2,510,000)
	(629,276)	6,116,616	(6,615,909)	76,388	(1,077,000)	(2,129,181)
<b>Restricted fixed asset funds</b>						
Land and buildings	15,612,415	94,476	(227,233)	-	-	15,479,658
<b>Total Restricted funds</b>	14,983,139	6,211,092	(6,843,142)	76,388	(1,077,000)	13,350,477
<b>Total funds</b>	16,094,987	6,419,359	(6,843,142)	-	(1,077,000)	14,594,204

**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	(74,590)	-	15,277,553	15,202,963
Current assets	1,425,213	736,147	-	2,161,360
Creditors due within one year	-	(255,861)	-	(255,861)
Creditors due in more than one year	-	(6,533)	-	(6,533)
Provisions for liabilities and charges	-	(2,991,000)	-	(2,991,000)
<b>Total</b>	<b>1,350,623</b>	<b>(2,517,247)</b>	<b>15,277,553</b>	<b>14,110,929</b>

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	15,418,070	15,418,070
Current assets	1,243,727	626,484	61,588	1,931,799
Creditors due within one year	-	(236,953)	-	(236,953)
Creditors due in more than one year	-	(8,712)	-	(8,712)
Provisions for liabilities and charges	-	(2,510,000)	-	(2,510,000)
<b>Total</b>	<b>1,243,727</b>	<b>(2,129,181)</b>	<b>15,479,658</b>	<b>14,594,204</b>

**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(507,275)	(423,783)
<b>Adjustments for:</b>		
Bank Interest	(5,937)	(5,474)
Depreciation	227,715	227,233
Decrease in debtors	8,100	9,065
Increase in creditors	18,907	32,829
Capital grants from DfE and other capital income	(25,610)	(94,476)
Defined benefit pension scheme cost less contributions payable	453,000	301,000
Defined benefit pension scheme finance cost	52,000	34,000
<b>Net cash provided by operating activities</b>	<b>220,900</b>	<b>80,394</b>

**22. Cash flows from financing activities**

	2020 £	2019 £
Repayments of borrowings	(2,178)	(2,177)
<b>Net cash used in financing activities</b>	<b>(2,178)</b>	<b>(2,177)</b>

**23. Cash flows from investing activities**

	2020 £	2019 £
Bank interest	5,937	5,474
Purchase of tangible fixed assets	(12,608)	(51,305)
Capital grants from the ESFA	25,610	94,476
<b>Net cash provided by investing activities</b>	<b>18,939</b>	<b>48,645</b>

**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

**24. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	1,963,624	1,725,963
<b>Total cash and cash equivalents</b>	<b>1,963,624</b>	<b>1,725,963</b>

**25. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,725,963	237,661	1,963,624
Debt due within 1 year	(2,177)	(1)	(2,178)
Debt due after 1 year	(8,712)	2,179	(6,533)
	<b>1,715,074</b>	<b>239,839</b>	<b>1,954,913</b>

**26. Pension commitments**

The 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 Tameside Metropolitan Borough Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

**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.

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**26. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £502,960 (2019 - £350,932).

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 £375,000 (2019 - £350,000), of which employer's contributions totalled £286,000 (2019 - £267,000) and employees' contributions totalled £ 89,000 (2019 - £83,000). The agreed contribution rates for future years are 13.7-19.1 per cent for employers and 5.5-12.5 per cent for employees.

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.

**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

**26. Pension commitments (continued)**

**Principal actuarial assumptions**

	2020 %	2019 %
Discount rate for scheme liabilities	1.70	1.85
Rate of increase in salaries	3.00	3.10
Rate of increase for pensions in payment / inflation	2.20	2.30
Commutation of pensions to lump sums - pre April 2008	55	55
Commutation of pensions to lump sums - post April 2008	60	80

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	20.5	20.6
Females	23.1	23.1
<i>Retiring in 20 years</i>		
Males	22	22
Females	25	24.8

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate -0.5%	1,006,000	979,000
Salary increase rate +0.5%	72,000	127,000
Pension increase +0.5%	917,000	833,000

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

	2020 £	2019 £
Equities	2,792,000	2,557,000
Corporate bonds	657,000	564,000
Property	287,000	301,000
Cash and other liquid assets	370,000	338,000
<b>Total market value of assets</b>	<b>4,106,000</b>	<b>3,760,000</b>

**KINGSWAY COMMUNITY TRUST**  
(A Company Limited by Guarantee)

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

**26. Pension commitments (continued)**

The actual return on scheme assets was £10,000 (2019 - £165,000).

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

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

	2020 £	2019 £
<b>At 1 September</b>	6,270,000	4,374,000
Current service cost	739,000	568,000
Interest cost	124,000	130,000
Employee contributions	89,000	83,000
Actuarial (gains)/losses	(86,000)	1,146,000
Benefits paid	(39,000)	(31,000)
<b>At 31 August</b>	<u>7,097,000</u>	<u>6,270,000</u>

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

	2020 £	2019 £
<b>At 1 September</b>	3,760,000	3,276,000
Interest income	72,000	96,000
Actuarial (losses)/gains	(62,000)	69,000
Employer contributions	286,000	267,000
Employee contributions	89,000	83,000
Benefits paid	(39,000)	(31,000)
<b>At 31 August</b>	<u>4,106,000</u>	<u>3,760,000</u>

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**KINGSWAY COMMUNITY TRUST**  
**(A Company Limited by Guarantee)**

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

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**27. Operating lease commitments**

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

	2020 £	2019 £
Not later than 1 year	4,366	2,287
Later than 1 year and not later than 5 years	4,380	858
	<u>8,746</u>	<u>3,145</u>

**28. Members' liability**

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

**29. 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.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.