

Registration number: 08977173

The Kirkstead Education Trust

(A company limited by guarantee)

Annual Report and Financial Statements

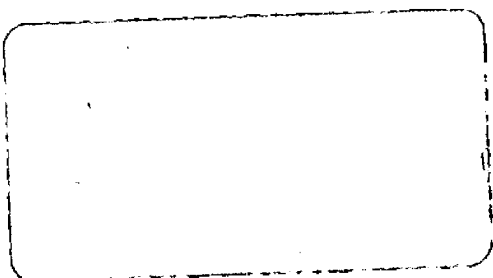
for the Year Ended 31 August 2019



The Kirkstead Education Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 14
Governance Statement	15 to 19
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditor's Report on the Financial Statements	22 to 24
Independent Reporting Accountant's Report on Regularity	25 to 26
Statement of Financial Activities incorporating Income and Expenditure Account	27
Balance Sheet	28
Statement of Cash Flows	29
Notes to the Financial Statements	30 to 47



The Kirkstead Education Trust

Reference and Administrative Details

Members

R Benton
D Boxall
C Trask
S Kashyap

Trustees

R Benton, Chair
D Boxall, Vice Chair
F Haskayne (resigned 8 March 2019)
E Losse, Head Teacher
C Trask
C Howe (appointed 30 September 2019)
T Scott-Wilson

Senior Management Team

E Losse, Head Teacher
T Kendrick, Deputy Head Teacher
C Potter, Assistant Head Teacher
H Walker, Assistant Head Teacher
A Powell, Senior Teacher
A Proffitt, Senior Teacher

Principal and Registered Office

Kirkstead Road
Cheadle Hulme
Cheadle
Cheshire
SK8 7PZ

Company Registration Number

08977173

Auditors

Beever and Struthers
Chartered Accountants and Statutory Auditors
St George's House
215-219 Chester Road
Manchester
M15 4JE

The Kirkstead Education Trust

Reference and Administrative Details (continued)

Bankers

Royal Bank of Scotland
50 Bramhall Lane South
Bramhall
Stockport
SK7 1AJ

Aldermore Business Services
1st Floor, Block B
Western House
Lynch Wood
Peterborough
PE2 6FZ

Solicitors

Eversheds LLP
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

The Kirkstead Education Trust

Trustees' Report for the Year Ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 7 to 11 serving a catchment area in Cheadle Hulme. Hursthead Junior School has a pupil capacity of 360 and had a roll of 362 in the school census in January 2019.

Structure, governance and management

Constitution

The incorporation date of The Kirkstead Education Trust was 3 April 2014, and conversion to Academy status took place on 1 June 2014. 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. Four of the governors, including the Head Teacher of Hursthead Junior School are also Trustees of the charitable company for the purposes of company law. The charitable company is known as The Kirkstead Education Trust. Hursthead Junior School is currently the only school in the Multi Academy Trust.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

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

Governors benefit from indemnity cover purchased at the Academy Trust's expense as part of the Risk Protection Arrangement provided by the Department for Education. This covers defence costs and legal liability of the Governors, Officers and Trustees to pay damages but not fines, penalties, punitive or exemplary damages. The limit of this indemnity is unlimited.

Method of recruitment and appointment or election of Trustees

The Articles of Association state that the Trust shall have at least three trustees, and shall not be subject to any maximum, which include the Head Teacher of the school and the three signatories to the Memorandum of Association. The members may appoint trustees through such process as they determine, in accordance with the Articles of Association. The usual term of office is a period of four years, with the exception of the Head Teacher who shall serve for as long as they are in post.

Hursthead Junior School also has a Local Governing Board, which must include two parent governors. Parent Governors are elected by the parents and appointed by the Trustees, who will give consideration to the skills and experience of the current Governing Board, appointing those thought to bring suitable knowledge and expertise to contribute fully to the development of the School. A Staff Governor is elected by school staff.

Governors regularly receive termly reports, policies, newsletters, minutes, financial information, school improvement plans and have access to both the school website and Twitter account. They also access school and academy information through the Trust Governor website.

The Kirkstead Education Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Policies and procedures adopted for the induction and training of Trustees

New Governors and Trustees are encouraged to take part in a programme of induction training, which is bought back by the School from the Local Authority. A skills audit is undertaken to identify any areas where further training may be necessary and Governors and Trustees are invited to take advantage of a full range of training opportunities provided by the Local Authority and other external providers. They are also invited to training for staff e.g. INSET days, Safeguarding training etc.

Governors and Trustees are always welcomed into the School to meet staff and pupils. Monthly Governor open days allow regular opportunities for Governors to spend time in school joining in with school activities and liaising informally with staff and pupils.

Organisational structure

The Local Governing Board meets termly. It has established a number of committees, and determines the membership and terms of reference of these committees. Usually, the committees meet termly in advance of the Local Governing Board meeting and the subsequent reports and activities of each committee are presented to and ratified by the Governing Board.

The committees currently in place are:

- Resources (incorporating Health & Safety, Premises, Finance and the Audit Committee)
- Teaching & Learning
- Standards
- Personnel (incorporating Performance Management)
- Pay

The Local Governing Board has devolved responsibility for monitoring, decision making and policy formulation to these committees. The Local Governing Board must recommend the budget to the Trustees for approval.

The Local Governing Board has devolved responsibility for the day to day running of the school to the Head Teacher and Senior Leadership Team (SLT). The SLT comprises the Head Teacher, Deputy Head Teacher, Assistant Head Teachers, and 2 Senior teachers covering the SENDCo role.

The Head Teacher is also the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Local Governing Board has delegated its pay powers to the Pay Committee. Pay is reviewed annually for all personnel including management personnel and in accordance with the Pay Policy in operation at that time. Pay for the Head Teacher is determined by the Pay committee and with advice from an external advisor. All pay decisions are ratified by the Local Governing Board.

Connected organisations, including related party relationships

The Hursthead Junior School Parents' Association run events and fundraising activities throughout the year to raise additional funds for the school.

The School shares the Kirkstead Road site with Hursthead Infant School, from which it receives the majority of its pupils. A shared land use agreement is in place with the Infant school which came into effect at the point of conversion. The two schools work closely together on key aspects of school life, and ensure a smooth transition for pupils moving from KS1 to KS2.

The Kirkstead Education Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

The school also works closely with the University of Manchester in training the teachers of the future. The School offers placements to students pursuing the PGCE qualification, and is also a School Direct provider, leading an alliance of primary schools in the local area including Hursthead Infant School, Bradshaw Hall Primary, Oak Tree Primary, Didsbury Road, Handforth Grange and Heald Place and working in partnership with the Manchester University PGCE course.

Objectives and activities

Objects and aims

Hursthead Junior School endeavours to lay the foundations for children to develop into happy, secure and confident young people well equipped to achieve their maximum potential.

This is achieved by:

- giving a wealth of opportunities from which to learn
- encouraging teamwork and a partnership between home and school
- offering a range of teaching and learning styles to enhance the children's development
- providing a commitment to the highest standards of assessment and learning underpinned by a continuing programme of staff development
- providing a safe, supportive and stimulating learning environment
- enabling children to achieve their maximum potential whilst enjoying their learning experiences
- promoting pupils' spiritual, moral, social and cultural development
- following an established code of behaviour which fosters self-esteem, self-respect, and respect for others
- placing pupils' rights and responsibilities at the heart of everything we do

The trustees, governors and staff of the Kirkstead Education Trust at Hursthead Junior School strive to develop the necessary values, knowledge, skills and understanding for both pupils and adults to become REAL citizens.

- Responsible
- Enthusiastic
- Aspirational
- Leaders

The School's vision is for children to become well-equipped for life with the skills to learn and to be good citizens representing their school community. We put the children at the heart of our decision-making process.

Responsibility

Staff at Hursthead Junior School take the responsibility to ensure that the rich, broad curriculum provided for all learners is an exciting, engaging process to be worked through rather than a set model. At Hursthead Junior School, everyone is a learner and expected to take responsibility for developing their knowledge, skills and understanding through a range of challenging opportunities that take place both in and out of the classroom. Children take responsibility for their own behaviour and, through our buddy system, are encouraged to care for each other and promote high standards. Teaching, learning and assessment are tailored to meet the needs of the individual - promoting children's strengths while recognising and taking active steps to address their areas for development. Our unique combination of lesson observations, teaching triads and pupil progress meetings and high quality professional dialogue puts children - and their progress - at the heart of everything we do and ensures that all children are provided with outstanding teaching and learning opportunities within a safe, supportive environment.

The Kirkstead Education Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Enthusiasm

Children and adults are encouraged to embrace life at Hursthead Junior School and take advantage of everything it has to offer. Staff provide a wide and varied programme of enrichment, from Scrabble to Cross Country, which support children in developing positive relationships within school and in having fun. We recognise that happy children make better learners and put enjoyment at the centre of our curriculum, encouraging children to be inquisitive and ask questions about the world around them. Staff promote a love of learning for its own sake and actively teach children the skills to become good learners and citizens - collaboration, teamwork, compromise and the ability to articulate their opinions whilst being respectful of the views and beliefs of others. Successes are celebrated and children are taught to understand that some of our best learning comes from the mistakes we make. Our vision is for Hursthead Junior School to be a model of best practice for learning behaviours.

Aspiration

Staff embed a sense of ambition for all children. Teachers and pupils articulate and embed high expectations of both learning and behaviour and promote an attitude of resilience and perseverance at an age appropriate level, preparing children for the next stage of their education. All children are given opportunities to experience success, whilst understanding the benefits of challenge. Children are encouraged to think beyond their primary school years and are provided with inspirational role models through academic pursuit, sport, music and creative activity. These include visitors to school, parents and community leaders as well as historical figures who have played a role in shaping society. Staff work with children and their families to promote standards of attainment that are consistently above national averages and strive to ensure that children make the very best progress possible.

Leadership

Hursthead Junior School's vision is for outstanding distributive leadership from children and adults. Right from Year 3 children are given opportunities to develop the qualities of leadership, whether that be through group work, as a school councillor or as a member of a club. As children progress through the school they are encouraged to lead in everything from sport to working with younger children. As a Rights Respecting School (RRSA Level 2) we actively promote an understanding of the UNCRC and the importance of Children's Rights around the world. Our RRSA steering group, School Council and Family system enable children to influence the direction and decision making within the school. Children learn how democracy works and stand for election. All staff in school are considered leaders - whether that be through a club, subject, area of responsibility or through the Senior Leadership team who work closely with the Governing Board and Trustees to achieve the best possible outcomes for all children.

Through our endeavours, Hursthead Junior School will be the flagship school for the Kirkstead Education Trust.

Objectives, strategies and activities

The principal objective and activity of the Kirkstead Education Trust is to oversee the operation of Hursthead Junior School to provide free education and care for pupils of different abilities between the ages of 7 and 11 years.

Key priorities for the year are laid out in the School Development Plan. The 2018 SDP identified the following foci:

Theme 1: Curriculum Review and Redevelopment

Develop a rich, deep, fun curriculum that inspires and challenges learning through:

- supporting and challenging subject leaders to review and develop the planning, teaching & learning and assessment of their curriculum areas
- supporting and challenging class teachers to review year group planning, teaching & learning and assessment
- involving pupils in the development of new curriculum themes as well as what/ how they would like to learn (UNCRC, Article 12, Respect for the Views of the Child)
- the introduction of Outdoor Education opportunities for each year group

The Kirkstead Education Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

- completing work towards RRSA reaccréditation (November 2018) ensuring that Children's Rights are embedded and woven into all aspects of school life
- working towards PSQM reaccréditation. Continued development of whole School Science events, STEM challenges and development of STEM ambassadors
- continuing work towards Centre of Excellence accreditation for teaching of financial management. Links with Santander and external consultant.
- reviewing teaching and learning in art with a view towards Artsmark reaccréditation. Team teaching opportunities to be implemented with David Farrow, art consultant

Theme 2: Continue to develop and evidence progress in Maths

Develop mixed-ability class teaching in Maths to improve outcomes for all through:

- teachers identifying and targeting pupils currently not on track to make expected progress, including Pupil Premium pupils
- teachers planning and delivering lessons where the rehearsal of basic skills is taught alongside the development of reasoning and problem-solving and problem-solving is modelled to pupils
- teachers planning and working with teaching assistants to provide appropriate support and challenge in class as well as mathematics/ basic skills intervention groups for targeted children
- teachers ensuring measures and statistics are used as contexts for other areas of mathematics
- teachers ensuring that the quality of the presentation of work is of a consistently high standard and that children are encouraged to take pride in their work to improve accuracy and respond to feedback
- developing further opportunities for girls to increase their confidence in mathematics, enhance their skills and therefore improve performance and close the gap with boys in attainment

Theme 3: Behaviour, presentation and environment

Continue to support children in becoming good citizens by promoting high standards of learning and social behaviour through:

- senior leaders and all staff to actively promote self-regulation amongst children
- all staff to develop a consistent approach to recording and tracking behaviour incidents
- continuing to develop learning and emotional resilience in children

Theme 4: Pupil Progress

Improve the impact of leaders and teachers on pupil progress through:

- continuing to focus pupil progress meetings on progress from KS1 starting points
- regular book monitoring by SLT to ensure consistency and quality of feedback and accurate use of subject specific success criteria
- further developing the teaching of reading comprehension skills
- continuing to share the best teaching in the school even more with other staff

Theme 5: Health and Wellbeing

Continue to support pupils and staff in developing and maintaining positive physical and emotional health through:

- continued development of pupils' emotional resilience
- developing action plan to improve emotional wellbeing in line with Stockport Emotional health framework
- continued work towards the Centres of Excellence accreditation for teaching of financial management
- actively promoting, monitoring and acting on any concerns regarding staff wellbeing/ workload
- continuing to embed UNCRC as part of our Rights Respecting School culture and work towards reaccréditation of RRSA Gold level
- updating Anti-bullying policy to reflect updates to Keeping Children Safe in Education 2018
- Continuing to ensure that safeguarding is given high priority in school and that staff, governor and pupil awareness of safeguarding issues is strong

The Kirkstead Education Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Theme 6: Developing of Computing provision

Continue to develop IT provision for staff and pupils through:

- changing of IT support provider to ensure that all hardware/ software is working effectively in school
- taking advice from Hi-Impact about next steps to improve both IT systems and teaching and learning in Computing throughout the school
- replacement of laptops in ICT suite

Other/ Ongoing developments:

- Continue to deliver high quality parent workshops/ briefings to keep parents informed
- Refine the values and vision of Hursthead Junior School within the Kirkstead Education Trust
- Trustees to consider the future development of the Kirkstead Education Trust
- Investigate priority options for CIF bids 2018/19
- Investigate options to improve perimeter fencing include emergency access gate/ fence between Infants and Junior School.

The School's Development Plan 2019 is shared with trustees, governors, staff and pupils and reviewed termly.

Public benefit

The trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by the Trust is the provision of high quality education for its pupils. The School catchment is designated by the Local Authority and has remained unchanged since academy conversion. Hursthead Junior School is non-selective. The admission arrangements are handled on the School's behalf by the Local Authority and a new process has been introduced for children joining the school since 2019. Parents applying for Infant places will be made aware that they will need to use the online log-in to update details and apply for a place at Hursthead Junior School. Pupils on roll at the Infant school will continue to be given priority after SEN and LAC children.

The Kirkstead Education Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Achievements and performance

In April and May 2019, two new teachers were recruited for a fixed term to cover the Maternity leaves of 2 class teachers spanning the 2018-19 and 2019-20 academic years.

Standards are monitored and key priorities identified through a programme of lesson observations, teaching triads and pupil progress meetings as well as through a rigorous appraisal process. All teachers, with the exception of NQTs, are subject leaders. They carry out work scrutiny, pupil interviews and their reports feed into the School Development Plan.

The Parents' Association organised numerous fundraising events throughout the year, and donated funds to enable the continuation of our Forest Schools programme, transport for the whole school annual Christmas theatre visit, our Outdoor Education Project, and Schools Linking Project, enabling our children to take part in school visits and exchanges with our partner school, Heald Place. DT resources are also subsidised by the PA.

Key performance indicators

Roll – 361 Pupils were on roll at the end of the 2018-19 academic year.

Attendance – attendance during 2018-19 was 97.9%.

Exclusions – There were two fixed- term exclusion during the 2018-19 year.

Summary of Key Stage 2 results

The school uses this data to identify strengths and areas for continued development.

Progress

Attainment	Expected standard or above					
	School 2017	National 2017	School 2018	National 2018	School 2019	National 2019
R,W,M combined	86%	61%	77%	64%	76%	65%
Reading	94%	72%	86%	75%	82%	73%
Writing	89%	76%	97%	78%	92%	78%
Maths	92%	75%	82%	76%	81%	79%
SPAG	93%	77%	89%	78%	88%	78%

Progress

	2017	2018	2019
Reading	2.0	-0.2	-0.2
Writing	-3.1	-0.5	-1.1
Maths	0.0	-1.0	-1.4

The Kirkstead Education Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

'We know from national data that pupils at junior schools, on average, have higher attainment scores at the end of key stage 2 than pupils at other primary schools. However, on average, they also have lower progress scores, which may be for a variety of reasons.' (Primary Inspection Data Summary Report 2019).

Key Stage 2 attainment of the high standard (110+) in reading (43%) was significantly above national and in the highest 20% of all schools in 2019. The three-year reading attainment score (108.6) was in the highest 20%.

Key Stage 2 attainment of the expected standard in writing (92%) was significantly above national and in the highest 20% of all schools in 2019 as well as in 2018 and 2017.

The three-year average mathematics attainment score (106.9) was in the highest 20%. For middle prior attainers, key stage 2 progress in mathematics was significantly below national and in the lowest 20% of all schools in 2019.

(Data taken from Primary Inspection Data Summary Report 2019).

Going concern

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

The three-year budget forecast at the end of 2018-19 was based on current levels of funding and indicates an increasing deficit that will require Trustees to review the reserves policy and potentially take significant action, e.g. workforce restructure. Indications of potential future Government funding changes, for example to uplift per pupil funding could improve this scenario significantly.

"In 2017/18, 38 per cent of primary academies were spending more than their income, compared to 51 per cent of LA primary schools in 2016-17."

<https://epi.org.uk/publications-and-research/school-revenue-balances/>

Financial review

The Majority of the School's income is received in monthly instalments from the Education and Skills Funding Agency (ESFA), according to the Local Authority's Funding Formula.

The School receives an annual Devolved Formula Capital (DFC) grant comprising a lump sum and a per-pupil supplement for capital improvements. In addition, a one-off supplementary sum was received in 2018-19, which enabled further capital investments to be made.

The school undertook a major project in the Spring Term, to replace low level perimeter fencing with higher fencing, making unauthorised access to the site more difficult and therefore increasing pupil safety.

Investments this year have included commissioning a major overhaul of our IT network and systems. Pupil and staff laptops were upgraded to become faster and more efficient, and remote system access for staff was implemented in the Summer Term.

An upgrade to the existing door entry system was installed during the Easter holiday; with external doors in communal areas now being controlled by fobs. This ensures that external doors are controlled by staff members only, however they are linked to the fire alarm system and allow automatic egress in the event of an emergency.

The Trust has an in-year revenue deficit in 2018-19, which can be met using unspent funds from previous years. This deficit can be funded by our revenue reserves (cash at bank), within our reserves policy.

The School has taken on the deficit in the Local Government Pension Scheme in respect of the non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity.

The Governors have appointed Chris Trask (BA BFP FCA) as Responsible Officer, to carry out a termly programme of internal checks on the School's financial controls. This programme has been set by the Audit committee, and the findings of each termly check are reported to the Audit Committee at the next scheduled Resources Committee meeting.

The Kirkstead Education Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Checks carried out throughout 2018-19 showed no occurrences of control deficiencies or practices, however one recommendation was made, which was reported to the Resources and Audit committee and incorporated into the school's Financial Procedures:

It was noted that supplier invoices are paid on weekly payment runs. Invoices are processed as received. A haphazard review of the invoices would suggest that many suppliers have credit terms of 30 days. In order to manage working capital the school's management could delay the payments in line with credit terms rather than paying weekly as the invoices are processed. The accounting system can be set up to automate this paying to terms.

Reserves policy

The School intends to use allocated funding to provide for the children currently on roll, whilst maintaining a prudent level of balances for future use. The school is mindful of funding uncertainty in future years, and this situation is kept under review. Scenario planning is used to model the future position. The projected budgets at the end of 2018-19 allow for increasing staffing costs, both in terms of progression up the relevant salary scales for all staff and anticipated percentage increase each year with no inflationary or structural increase in Government funding. Moreover for prudence, the longer term planning assumes the increase to Teachers' Pensions contributions will be unfunded by the Government after 2019-20. The Trustees agreed a formal reserves policy at the first meeting of the Board in the Autumn term 2018. It was agreed that a cash balance of £100,000 should be retained. This policy will be reviewed annually.

Investment policy

The Trust keeps its day-to-day cash balances between a current account, and an interest-bearing deposit account. A further interest bearing account was opened in 2018, allowing the school to split its cash assets between two financial institutions, allowing greater protection under the Financial Services Compensation Scheme (FSCS). All accounts are in the name of The Kirkstead Education Trust, operating as Hursthead Junior School. The Trustees are committed to minimising financial risk and therefore have not entered into any external investment of school balances outside of those protected by the FSCS.

Principal risks and uncertainties

The Trust has an agreed programme of internal controls designed to minimise and manage risk in all areas. These are regularly evaluated and the controls reviewed for effectiveness periodically. The principal risks and uncertainties facing the Trust are as follows:

Financial – The school primarily relies on Government funding through the ESFA. Uncertainty around future funding levels and increasing staff costs mean that the future financial picture is unclear. Frequent budget reviews take place, a prudent level of balances are maintained and staffing reviews are undertaken prior to any appointments being made.

Legal / regulatory – The risks in this area arise from potential failure (knowingly or unknowingly) to comply with legislation in areas such as Health and Safety, employment, GDPR etc. The School purchases the services of professionals in each area of specialism to ensure compliance with all statutory requirements.

Fraud / Misappropriation of Funds – The school has appointed a Responsible Officer to regularly check the level of internal controls used during financial activity. The Academies Financial Handbook provides the start point for the schools financial procedures and strict segregation of duties lessens the opportunity for fraudulent activity to take place. The annual external audit provides reasonable assurance as to whether the financial statements as a whole are free from material misstatement.

The Kirkstead Education Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Social - A primary and secondary free school opened in 2018 in the local area, and this may have an effect on pupil numbers and / or the number of pupils attending Hursthead Junior School from outside the catchment. A change to admission criteria for the main local high school may also affect parents' choice of primary school. This will be monitored closely by Governors and Trustees.

IT Failure - Local and remote backups of the school servers are undertaken by our IT provider to protect against data loss. A rolling programme is in place to replace ageing infrastructure.

Information - Risk arising from breaches of GDPR, either accidental, malicious or by technical error. Sensitive documents are password protected, and physical document security practices are observed.

Partnerships - The admission of another school into the MAT would pose risks as well as opportunities. Due diligence would be undertaken prior to the incorporation of another school, and regular monitoring would take place.

Resource - Staff turnover provides both opportunities and risks. Opportunities include potentially being able to recruit at a lower cost and the chance to restructure. Risks include difficulty in finding good quality candidates and loss of skills. Staff absence leads to increased costs, although this is mitigated by the provision of Staff Absence insurance.

Business continuity - the risks of a major event leading to the disruption of the normal school operation are mitigated by the Critical Incident and Business Continuity plans being regularly reviewed, membership of the DfE's Risk Protection Arrangement, and reciprocal arrangements being in place with other local schools

Health and Safety - The key risks in this area arise from the possibility of a fire within school and the lack of perimeter fencing at the rear of the site. Several mitigating actions are in place with regard to fire prevention and systems. A detailed risk assessment is in place with regard to the fence, and 3 priority areas of the site were fenced during 2018-19

Political - Risks arise from the uncertainty of the current and future political climate, which may lead to the introduction / cessation of Government initiatives

Fundraising

The Parent's Association raise funds on behalf of Hursthead Junior School, by running a number of activities and events throughout the school year. A programme of funding is agreed between the Head teacher and the PA committee, with a donation being made to the school toward the end of the academic year. In 2018/19, a donation of £10,000 was received (previous year donation was £8,774).

Plans for future periods

The Trust will continue to challenge and support pupils to achieve their potential, whilst aiming to attract the highest calibre teaching and non-teaching staff. The priorities outlined in the SDP for 2019-20 are as follows:

Theme 1: Curriculum Review and Redevelopment (Ongoing 18/19)

Theme 2: Increase the number of pupils meeting and exceeding age-related expectations in Maths, thereby improving year group progress

Theme 3: Increase the number of pupils meeting and exceeding age-related expectations in reading, thereby improving year group progress

Theme 4: Behaviour, presentation and environment

The Kirkstead Education Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Theme 5: Effective use of CPD, book monitoring and pupil interventions

Theme 6: Computing provision and curriculum

Theme 7: Health and Wellbeing, Safeguarding and workload

Other ongoing developments: Delivery of high quality parent workshops, relaunch of the REAL wheel, consideration of CIF bid for the roof.

The Kirkstead Education Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Funds held as Custodian Trustee on behalf of others

The School does not act as the Custodian Trustee of any other charity.

Auditor

Insofar as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the board of Trustees on 21.11.19 and signed on its behalf by:

.....

R Benton
Trustee

The Kirkstead Education Trust

Governance Statement

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to E Losse, Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Kirkstead Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 5 times during the year. To maintain robust and effective oversight, monthly management accounts are provided to all trustees as per the requirements of the Academies Financial Handbook. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Benton	4	5
D Boxall	5	5
E Losse	5	5
F Haskayne	3	3
T Scott-Wilson	5	5
C Trask	5	5

The Local Governing Board has formally met 3 times during the period. Attendance during the year at meetings of the Governing Board was as follows:

Governor	Meetings attended	Out of a possible
Dr R Benton	3	3
Mr D Boxall	3	3
Ms E Losse	3	3
Mrs F Haskayne (resigned 8 March 2019)	2	2
Mrs C Howe	2	3
Mr M Tonge	1	3
Mrs L Ashworth	2	3
Mrs A Valentine	-	3
Mrs V McGreevy	2	3
Mrs L Powner	1	3
Mr C Trask	3	3

The Kirkstead Education Trust

Governance Statement (continued)

The Resources Committee is a sub-committee of the main board of governors. Its purpose is to plan the budget and monitor spending, to ensure that pupils receive the best possible education in the best possible environment. The committee will monitor:

- projected numbers of pupils in the coming years and the effect on the budget
- the adequacy of resources
- financial policies
- the financial implications of the SDP and Post Ofsted Action Plan
- the major expenses that school will be facing over the next 3 - 5 years
- the school's action taken to meet Health & Safety requirements
- any bids for additional funding
- the issues faced in regard to provision with regard to space/layout/decoration/ vandalism etc.
- the working conditions for the staff

The committee also recommends the budgets to the trustees for approval.

The committee formally met 3 times during the period. Attendance at meetings in the year was as follows:
Attendance at meetings during the year was as follows:

Governor	Meetings attended	Out of a possible
R Benton	3	3
D Boxall	3	3
E Losse	3	3
F Haskayne	2	2
C Howe	2	3
C Trask	3	3
M Tonge	2	3

The Resources Committee also assumes the role and responsibilities of the Audit Committee. Its purpose is to:

- provide independent assurance of the adequacy of the risk management framework and associated control environment
- investigate any activity within its terms of reference
- seek any information it requires from the internal audit service, the financial statements auditor, Governors, Committees and school employees, plus relevant information from subcontractors and other third parties.
- obtain external professional advice.

Attendance at meetings during the year was as follows:

The Kirkstead Education Trust

Governance Statement (continued)

Governor	Meetings attended	Out of a possible
R Benton	3	3
D Boxall	3	3
E Losse	3	3
F Haskayne	2	2
C Howe	2	3
M Tonge	2	3
C Trask	3	3

Review of value for money

As Accounting Officer the Head Teacher 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 trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Reviewing staffing arrangements to ensure best use of staff resources when planning for maternity cover for two class teachers
- Maintaining a competitive tendering policy to ensure best value is achieved with high value purchases / contracts
- Changing to an alternative IT support provider following a review of requirements and tendering exercise
- Leaving a costly commercial insurer to become part of the Local Authority sickness absence scheme from April 2019
- Moving to the faster more efficient BACS process of invoice payment in December 2018

Areas for development:

- Consideration to be given to letting school premises as a means of income generation
- Continuous review of staffing structures, including the use of supply teachers
- Seek a better value alternative internet / e-mail provider
- Review of water usage in light of high costs in this area

The purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Kirkstead Education Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

The Kirkstead Education Trust

Governance Statement (continued)

Capacity to Handle Risk

The board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Risk and Control Framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed Chris Trask, a Trustee, to carry out a programme of internal checks. Mr Trask is referred to as the Responsible Officer.

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

- Review of payroll to ensure all changes have been appropriately authorised and actioned
- Review of salary reports and corresponding FMS transactions
- Check a sample of orders from PO, invoice, cheque processing
- Review of bank reconciliation process, including a review of the validity of reconciling items
- Review of Cash flow
- Review of Petty Cash process and supporting documentation
- Review a sample of expense claims to ensure there is appropriate documentation to support the claims
- Review of asset register
- Review of insurance arrangements
- Review of control accounts
- Tendering policy - review of transactions ensuring appropriate procedures have been followed with regard to quotations
- Review of Register of Business Interests and related party transactions
- AOB as agreed at previous Resources / Audit Committee meeting

On a termly basis, the Responsible Officer reports to the board of Trustees, through the Audit Committee on the operation of the systems of control and on the discharge of the board of Trustees's financial responsibilities.

There were no material control or other issues reported by the Responsible Officer to date.

Review of Effectiveness

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

The Kirkstead Education Trust

Governance Statement (continued)

- the work of the responsible officer ;
- the work of the external auditor;

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 21.11.19 and signed on its behalf by:



R Benton
Trustee



E Losse
Accounting officer
Governor and trustee

The Kirkstead Education Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Kirkstead Education 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 2018.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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.

.....*Eleanor R. Losse*.....
E Losse, Head Teacher
Accounting officer

Date:.....*21/11/19*.....

The Kirkstead Education Trust

Statement of Trustees' Responsibilities

The Trustees (some of whom act as governors of Hursthead Junior School and 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 & 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:

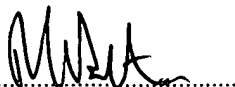
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

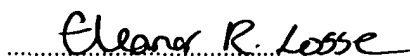
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have 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 on 21/11/19 and signed on its behalf by:



R Benton
Trustee



E Losse
Trustee

The Kirkstead Education Trust

Independent Auditor's Report on the Financial Statements to the Members of The Kirkstead Education Trust

Opinion

We have audited the financial statements of The Kirkstead Education Trust "the academy trust" for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2018 to 2019 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's affairs as at 31 August 2019 and of its incoming resources and application of resources, including 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 and the Academies Accounts Direction 2018 to 2019 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees (who are also the directors of the academy trust for the purposes of company law) 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. 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.

The Kirkstead Education Trust

Independent Auditor's Report on the Financial Statements to the Members of The Kirkstead Education Trust (continued)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 company 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 21], the Trustees 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'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 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.

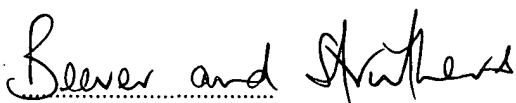
The Kirkstead Education Trust

Independent Auditor's Report on the Financial Statements to the Members of The Kirkstead Education Trust (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew McLaren (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor

St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 21/11/19

The Kirkstead Education Trust

Independent Reporting Accountant's Report on Regularity to The Kirkstead Education Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 26 June 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Kirkstead Education Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Kirkstead Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to The Kirkstead Education Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Kirkstead Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the board of Trustees's funding agreement with the Secretary of State for Education dated 30 May 2014 and the Academies Financial Handbook extant from 1 September 2018, 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 2018 to 2019. 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 from 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review and testing of financial systems of internal control
- Sample testing of transactions
- Discussions with management

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The Kirkstead Education Trust

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

Beever and Struthers

Andrew McLaren

For and on behalf of Beever and Struthers, Chartered Accountants

St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: *21/11/19*

The Kirkstead Education Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Income and endowments from:						
Donations and capital grants	2	-	10	23	33	18
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	1,301	-	1,301	1,277
Other trading activities	4	70	76	-	146	130
Investments	5	1	-	-	1	-
Total		71	1,387	23	1,481	1,425
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	65	1,520	63	1,648	1,513
Net income/(expenditure)		6	(133)	(40)	(167)	(88)
Transfers between funds		(68)	68	-	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	21	-	(142)	-	(142)	72
Net movement in deficit		(62)	(207)	(40)	(309)	(16)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2018		228	(176)	3,696	3,748	3,764
Total funds/(deficit) carried forward at 31 August 2019		166	(383)	3,656	3,439	3,748

The Kirkstead Education Trust
(Registration number: 08977173)
Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	11	3,652	3,694
Current assets			
Debtors	12	47	56
Cash at bank and in hand		200	252
		247	308
Liabilities			
Creditors: Amounts falling due within one year	13	(77)	(71)
Net current assets		170	237
Total assets less current liabilities		3,822	3,931
Net assets excluding pension liability		3,822	3,931
Defined benefit pension scheme liability	21	(383)	(183)
Total net assets including pension liability		3,439	3,748
Funds of the Academy:			
Restricted funds			
Restricted general fund		-	7
Restricted fixed asset fund		3,656	3,696
Restricted pension fund		(383)	(183)
		3,273	3,520
Unrestricted funds			
Unrestricted general fund		166	228
Total funds		3,439	3,748

The financial statements on pages 27 to 47 were approved by the Trustees, and authorised for issue on14/19..... and signed on their behalf by:

.....*Eleanor R. Losse*.....
E Losse
Trustee

The Kirkstead Education Trust

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £ 000	2018 £ 000
Cash flows from operating activities			
Net cash used in operating activities	17	(57)	(6)
Cash flows from investing activities	18	<u>5</u>	<u>(41)</u>
Change in cash and cash equivalents in the year		(52)	(47)
Cash and cash equivalents at 1 September		<u>252</u>	<u>299</u>
Cash and cash equivalents at 31 August	19	<u><u>200</u></u>	<u><u>252</u></u>

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

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.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

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

Income

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

Grants

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

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

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

Donations

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

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Other income

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

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

Asset class	Depreciation method and rate
Buildings Leasehold	125 years Straight Line
Fixtures & Fittings	10 years Straight Line
Computer Equipment	3 years Straight Line

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity'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.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. 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 charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is 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 scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education & Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

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.

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

2 Donations and capital grants

	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Capital grants	-	23	23	8
Other donations	10	-	10	10
	<u>10</u>	<u>23</u>	<u>33</u>	<u>18</u>

3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
DfE/ESFA revenue grants			
General Annual Grant	1,197	1,197	1,188
Other DfE/ESFA Grants	60	60	62
	<u>1,257</u>	<u>1,257</u>	<u>1,250</u>
Other government grants			
Other Government Grants	44	44	27
Total grants	<u>1,301</u>	<u>1,301</u>	<u>1,277</u>

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Catering income	69	-	69	79
School shop sales	1	-	1	1
Other sales	-	76	76	50
	<u>70</u>	<u>76</u>	<u>146</u>	<u>130</u>

5 Investment income

	Unrestricted funds £ 000	2018/19 Total £ 000
Bank Interest	<u>1</u>	<u>1</u>

6 Expenditure

	Non Pay Expenditure			2018/19 Total £ 000	2017/18 Total £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Academy's educational operations					
Direct costs	1,012	-	121	1,133	1,081
Allocated support costs	<u>208</u>	<u>128</u>	<u>179</u>	<u>515</u>	<u>432</u>
	<u>1,220</u>	<u>128</u>	<u>300</u>	<u>1,648</u>	<u>1,513</u>

Net income/(expenditure) for the year includes:

	2018/19 £ 000	2017/18 £ 000
Operating lease rentals	5	5
Depreciation	63	53
Fees payable to auditor - audit	6	5
- other audit services	<u>1</u>	<u>1</u>

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Charitable activities

		2018/19 £ 000	2017/18 £ 000
Direct costs - educational operations		1,133	1,081
Support costs - educational operations		515	432
		<u>1,648</u>	<u>1,513</u>
	Educational operations £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Analysis of support costs			
Support staff costs	208	208	165
Depreciation	63	63	8
Premises costs	65	65	72
Other support costs	171	171	179
Governance costs	8	8	8
Total support costs	<u>515</u>	<u>515</u>	<u>432</u>

8 Staff

Staff costs

	2019 £ 000	2018 £ 000
Staff costs during the year were:		
Wages and salaries	887	814
Social security costs	74	77
Operating costs of defined benefit pension schemes	152	163
	<u>1,113</u>	<u>1,054</u>
Supply staff costs	46	29
	<u>1,159</u>	<u>1,083</u>

Staff numbers

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

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff (continued)

	2018/19 No	2017/18 No
Charitable Activities		
Teachers	14	15
Administration and support	14	12
Management	2	2
	<u>30</u>	<u>29</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2019 No	2018 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £359,296 (2018: £307,820).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

E Losse (Principal):

Remuneration: £65,000 - £70,000 (2018 - £65,000 - £70,000)

Employer's pension contributions: £10,000 - £15,000 (2018 - £10,000 - £15,000)

V McGreevy (Governor):

Remuneration: £30,000 - £35,000 (2018 - £30,000 - £35,000)

Employer's pension contributions: £5,000 - £10,000 (2018 - £5,000 - £10,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £45 (2018 - £216) were reimbursed or paid directly to 1 trustee (2018 - 2).

Other related party transactions involving the trustees are set out in note 22.

10 Trustees' and officers' insurance

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

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

11 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
Cost				
At 1 September 2018	3,658	198	63	3,919
Additions	9	10	-	19
Disposals	-	(10)	-	(10)
At 31 August 2019	<u>3,667</u>	<u>198</u>	<u>63</u>	<u>3,928</u>
Depreciation				
At 1 September 2018	114	60	49	223
Charge for the year	31	19	13	63
Eliminated on disposals	-	(10)	-	(10)
At 31 August 2019	<u>145</u>	<u>69</u>	<u>62</u>	<u>276</u>
Net book value				
At 31 August 2019	<u>3,522</u>	<u>129</u>	<u>1</u>	<u>3,652</u>
At 31 August 2018	<u>3,544</u>	<u>138</u>	<u>14</u>	<u>3,696</u>

12 Debtors

	2019 £ 000	2018 £ 000
VAT recoverable	3	12
Prepayments	27	36
Accrued grant and other income	<u>17</u>	<u>8</u>
	<u>47</u>	<u>56</u>

13 Creditors: amounts falling due within one year

	2019 £ 000	2018 £ 000
Trade creditors	21	23
Other taxation and social security	18	21
Accruals	21	12
Deferred income	<u>17</u>	<u>15</u>
	<u>77</u>	<u>71</u>

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

13 Creditors: amounts falling due within one year (continued)

	2019 £ 000	2018 £ 000
Deferred income		
Deferred income at 1 September 2018	15	15
Resources deferred in the period	(15)	(15)
Amounts released from previous periods	<u>17</u>	<u>15</u>
Deferred income at 31 August 2019	<u><u>17</u></u>	<u><u>15</u></u>

At the balance sheet date the academy trust was holding £16,883 (2018: £15,165) from parents in advance of school trips taking place in 2019/20.

14 Funds

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant	(1)	1,197	(1,264)	68	-
Other DfE/EFA Grants	-	60	(60)	-	-
Other government grants/income	8	44	(52)	-	-
Restricted other voluntary income	<u>-</u>	<u>86</u>	<u>(86)</u>	<u>-</u>	<u>-</u>
	7	1,387	(1,462)	68	-
Restricted pension funds					
Restricted pension fund	<u>(183)</u>	<u>-</u>	<u>(58)</u>	<u>(142)</u>	<u>(383)</u>
Total restricted general funds	<u><u>(176)</u></u>	<u><u>1,387</u></u>	<u><u>(1,520)</u></u>	<u><u>(74)</u></u>	<u><u>(383)</u></u>
Restricted fixed asset funds					
DFC grant	20	23	(2)	-	41
Assets transferred on conversion	3,359	-	(31)	-	3,328
CIF funding	209	-	(20)	-	189
Capital expenditure from GAG	<u>108</u>	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>98</u>
	<u>3,696</u>	<u>23</u>	<u>(63)</u>	<u>-</u>	<u>3,656</u>
Total restricted funds	3,520	1,410	(1,583)	(74)	3,273
Unrestricted funds					
Unrestricted general funds	<u>228</u>	<u>71</u>	<u>(65)</u>	<u>(68)</u>	<u>166</u>
Total funds	<u><u>3,748</u></u>	<u><u>1,481</u></u>	<u><u>(1,648)</u></u>	<u><u>(142)</u></u>	<u><u>3,439</u></u>

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

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Funds (continued)

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant	36	1,188	(1,216)	(9)	(1)
Other DfE/EFA Grants	-	62	(62)	-	-
Other government grants/income	-	27	(19)	-	8
Restricted other voluntary income	-	60	(60)	-	-
	<u>36</u>	<u>1,337</u>	<u>(1,357)</u>	<u>(9)</u>	<u>7</u>
Restricted fixed asset funds					
DFC grant	20	8	(8)	-	20
Assets transferred on conversion	3,397	-	(38)	-	3,359
CIF funding	212	-	(3)	-	209
Capital expenditure from GAG	82	-	(4)	30	108
	<u>3,711</u>	<u>8</u>	<u>(53)</u>	<u>30</u>	<u>3,696</u>
Restricted pension funds					
Restricted pension fund	<u>(229)</u>	<u>-</u>	<u>(26)</u>	<u>72</u>	<u>(183)</u>
Total restricted funds	3,518	1,345	(1,436)	93	3,520
Unrestricted funds					
Unrestricted general funds	<u>246</u>	<u>80</u>	<u>(77)</u>	<u>(21)</u>	<u>228</u>
Total funds	<u>3,764</u>	<u>1,425</u>	<u>(1,513)</u>	<u>72</u>	<u>3,748</u>

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

Restricted General Funds

Other voluntary income of £76,000 includes £17,000 insurance claims, £49,000 is in relation to money received from parents for educational visits during the year, £2,000 is in relation to charity collections, and £8,000 in relation to income for music lessons. These amounts were spent for the relevant purpose in the year.

Restricted Fixed Asset Funds

During the year the Trust received DFC funding of £22,747 but received no CIF (Condition Improvement Funding).

All other funds are statutory funding streams arising from the operation of the Academy.

15 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Analysis of net assets between funds (continued)

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	3,652	3,652
Current assets	243	-	4	247
Current liabilities	(77)	-	-	(77)
Pension scheme liability	-	(383)	-	(383)
Total net assets	<u>166</u>	<u>(383)</u>	<u>3,656</u>	<u>3,439</u>

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Analysis of net assets between funds (continued)

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	3,696	3,696
Current assets	285	22	-	307
Current liabilities	(57)	(15)	-	(72)
Pension scheme liability	-	(183)	-	(183)
Total net assets	<u>228</u>	<u>(176)</u>	<u>3,696</u>	<u>3,748</u>

16 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £ 000	2018 £ 000
Amounts due within one year	3	3
Amounts due between one and five years	<u>1</u>	<u>5</u>
	<u>4</u>	<u>8</u>

17 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2019 £ 000	2018 £ 000
Net expenditure	(167)	(88)
Depreciation	63	53
Capital grants from DfE and other capital income	(23)	(8)
Interest receivable	(1)	-
Defined benefit pension scheme cost less contributions payable	52	20
Defined benefit pension scheme finance cost	6	6
Decrease in debtors	9	-
Increase in creditors	<u>4</u>	<u>11</u>
Net cash used in Operating Activities	<u>(57)</u>	<u>(6)</u>

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

18 Cash flows from investing activities

	2019 £ 000	2018 £ 000
Dividends, interest and rents from investments	1	-
Purchase of tangible fixed assets	(19)	(49)
Capital funding received from sponsors and others	23	8
Net cash provided by/(used in) investing activities	<u>5</u>	<u>(41)</u>

19 Analysis of cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank and in hand	<u>200</u>	<u>252</u>
Total cash and cash equivalents	<u>200</u>	<u>252</u>

20 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.

21 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Pension and similar obligations (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £104,031 (2018: £101,583).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £61,000 (2018 - £101,000), of which employer's contributions totalled £47,000 (2018 - £61,000) and employees' contributions totalled £14,000 (2018 - £40,000). The agreed contribution rates for future years are 19.7 per cent for employers and 5.8 to 9.9 per cent for employees.

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Pension and similar obligations (continued)

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.10	3.20
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	<u>1.80</u>	<u>2.80</u>

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

	2019	2018
Retiring today		
Males retiring today	20.60	21.50
Females retiring today	23.10	24.10
Retiring in 20 years		
Males retiring in 20 years	22.00	23.70
Females retiring in 20 years	<u>24.80</u>	<u>26.20</u>

Sensitivity analysis

	2019 £000
Discount rate -0.1%	-134.00
Mortality assumption – 1 year increase	27.00
CPI rate +0.1%	<u>104.00</u>

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

	2019 £ 000	2018 £ 000
Equities	434	383
Corporate bonds	96	90
Property	51	39
Cash and other liquid assets	<u>58</u>	<u>51</u>
Total market value of assets	<u>639</u>	<u>563</u>

The actual return on scheme assets was £28,000 (2018 - £27,000).

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019 £ 000	2018 £ 000
Current service cost	(88)	(81)
Past service cost	(11)	-
Interest income	16	12
Interest cost	(22)	(18)
	<u>(105)</u>	<u>(87)</u>
Total amount recognised in the SOFA		

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

	2018/19 £ 000	2017/18 £ 000
At start of period	746	673
Current service cost	88	81
Interest cost	22	18
Employee contributions	14	40
Actuarial (gain)/loss	154	(57)
Benefits paid	(13)	(9)
Effect of non-routine settlements	11	-
	<u>1,022</u>	<u>746</u>
At 31 August		

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

	2018/19 £ 000	2017/18 £ 000
At start of period	563	444
Interest income	16	12
Actuarial gain/(loss)	12	15
Employer contributions	47	61
Employee contributions	14	40
Benefits paid	(13)	(9)
	<u>639</u>	<u>563</u>
At 31 August		

22 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

22 Related party transactions (continued)

Expenditure related party transactions

During the year the academy made the following related party transactions:

University of Manchester

Pupils of Hursthead Junior School attended a poetry event at the University of Manchester during the year ending 31st August 2019 amounting to £360:

- Mr Chris Trask is a Member, Trustee and Governor of The Kirkstead Education Trust and an employee at the University of Manchester.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to University of Manchester was £Nil (2018 - £Nil).

Access UK Limited

The academy trust purchased the services of the Academy's budgeting software from Access UK Limited during the year ending 31st August 2019 amounting to £1,344:

- Caroline Howe was a governor and is now a trustee of The Kirkstead Education Trust and an employee at Access UK Limited

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Access UK Limited was £Nil (2018 - £Nil).

The Kirkstead Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Statement of Financial Activities for the Year Ended 31 August 2018

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2017/18 Total £ 000
Income and endowments from:				
Donations and capital grants	-	10	8	18
<i>Charitable activities:</i>				
Funding for the Academy trust's educational operations	-	1,277	-	1,277
Other trading activities	80	50	-	130
Total	80	1,337	8	1,425
Expenditure on:				
Academy trust educational operations	77	1,383	53	1,513
Net income/(expenditure)	3	(46)	(45)	(88)
Transfers between funds	(21)	(9)	30	-
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes	-	72	-	72
Net movement in funds/(deficit)	(18)	17	(15)	(16)
Reconciliation of funds				
Total funds/(deficit) brought forward at 1 September 2017	246	(193)	3,711	3,764
Total funds/(deficit) carried forward at 31 August 2018	228	(176)	3,696	3,748