

**The Keys Academy Trust**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**Year ended 31 August 2018**



Period of account: 1 September 2017 – 31 August 2018

Company Registration Number:  
10818575 (England and Wales)

# **The Keys Academy Trust**

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**The Keys Academy Trust**  
**Reference and Administrative Details**

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Members	Oxford Diocesan Board of Education corporately (represented by Deputy Director Gordon Joyner) Fiona Craig Ruth Bennie Jane Peters Rev Stephen Pullin
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Trustees	Jane Peters (Chairperson)* Graham Reddie (Vice Chairperson)* Andrew Barlow Rev. Hannah Hobday* Penelope Jane Williams* Hester Wooller* David Horrocks – appointed 21 November 2018
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\* members of the finance and audit committee

Clerk	Jodie Page – appointed 16 July 2018 Jane Jones – resigned 9 July 2018
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## The Keys Academy Trust

### Reference and Administrative Details (continued)

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#### Senior Management Team

- Chief Executive Officer and Accounting Officer – Hester Wooller
- Chief Finance Officer – Julia Mead
- Headteacher – Earley St Peter's C of E Primary School - Hester Wooller
- Headteacher – The Coombes Primary School – Aly Atkins
- Headteacher – St Sebastian's Primary School – Martin Gater

Company Name	The Keys Academy Trust
Principal and Registered Office	PO Box 3168 Church Road Earley Reading Berkshire RG1 9DZ
Company Registration Number	10818575 (England and Wales)
Independent Auditor	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP
Bankers	Lloyds Bank plc 35 Broad Street Reading RG1 2BT

## **The Keys Academy Trust**

### **Trustees' Report**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust incorporated on 14 June 2017 and its first academy school, Earley St Peter's C of E Primary School (ESP) converted to academy status on 1 July 2017. ESP serves a catchment area in Earley, Reading for pupils aged 4 to 11. It has a pupil capacity of 490 plus a nursery and has a roll of 487 in the school census in October 2017. Since incorporation The Keys Academy Trust has been given academy sponsor status. On 1 September 2017, The Coombes C of E Primary School (The Coombes) joined the trust as a sponsor academy. The Coombes has a pupil capacity of 525 and had 400 pupils on roll at October 2017. On 1 December 2017 Saint Sebastian's C of E Primary School (St Sebastian's) joined the trust as a converter school. The school has a pupil capacity of 168 pupils and had 153 pupils on roll at October 2017.

## **Structure, Governance and Management**

### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Keys Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is also known as The Keys or TKAT.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

### **Members' Liability**

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

### **Trustees' Indemnities**

There were no provisions required for third party indemnity. In accordance with normal commercial practice, the academy trust purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business.

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

The Articles of Association provide for the appointment by members of a minimum of 5 Trustees.

It is the policy of the Board of Trustees that as long as the CEO agrees the members can appoint by ordinary resolution the CEO as a Trustee. The Articles set out that parent trustees are not required if parent representation is in place within the LGBs, which it is. Parent governors, on LGBs, are nominated from within the parent community.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

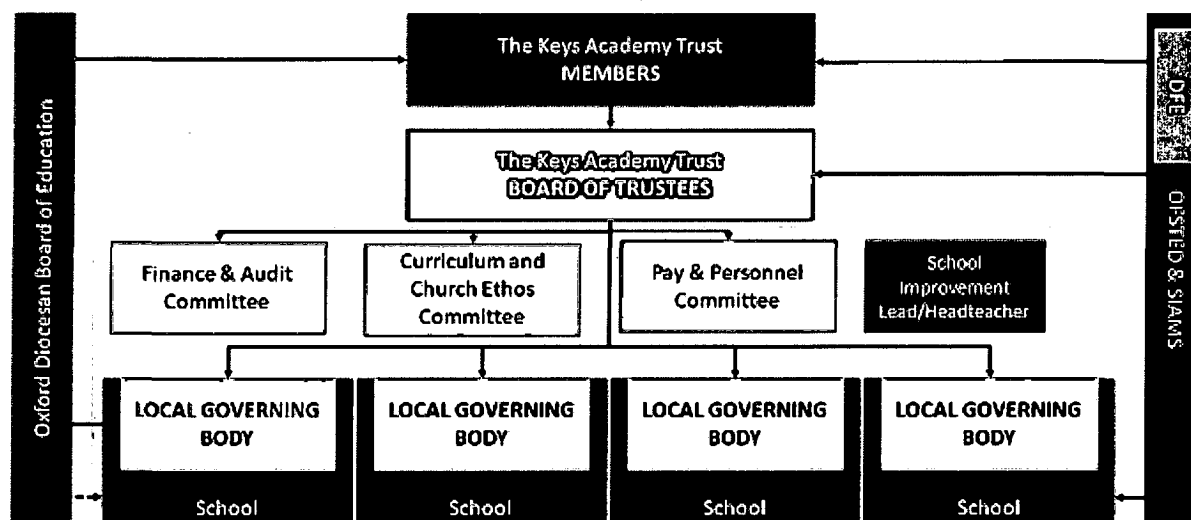
New trustees are provided with an induction pack containing key documentation and will meet with the Chair of the Board. The induction process will then continue with meetings with the CEO, other members of the Leadership Team as appropriate and visits to our schools. Trustees are encouraged to attend training and networking events as appropriate to their area of expertise, and are welcome to all committee meetings as observers to gain a deeper understanding of the Trust.

# The Keys Academy Trust

## Trustees' Report (continued)

### Organisational Structure

The organisation structure of the Trust is illustrated below:



A Scheme of Delegation is in place which sets out the responsibilities of the Board and the Local Governing Body.

The governors fulfil a largely strategic role and adopt a School Development Plan. They monitor standards of performance within their school.

The trustees retain responsibility for the appointment of all Headteachers, for approval of the appointment of the Chair of Finance of the Local Governing Body, for trust wide policies and for any changes to Admissions arrangements for any schools within the Trust.

The CEO is the Accounting Officer of the Trust. The Scheme of Delegation and the Trust's Finance Manual sets out the authorisation levels for both the Trust and each school within the Trust.

### Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for the CEO and the CFO is set by the Board of Trustees. The CEO determines pay and remuneration for the Executive team. All pay and remuneration is set with reference to the Trust's Pay Policy, Teachers Pay and Conditions (where applicable) and subject to benchmarking with other Trusts, where data is available within annual accounts or recruitment material.

Pay and remuneration for Headteachers is set with reference to Teachers Pay and Conditions and the Trust's pay policy and is proposed through the performance management process in which both the LGB and Executive team participate. Pay decisions are ratified by the LGB's Pay and Personnel committee.

There is no pay and remuneration in place for trustees, other than the opportunity to claim expenses.

## **The Keys Academy Trust**

### **Trustees' Report (continued)**

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#### **Trade Union Facility Time Data**

The Trade Union Facility Time Data is as follows for 1 July 2017 to 31 March 2018

Employees in your organisation: 50 to 1,500 employees

Trade union representatives and full-time equivalents

Trade union representatives: 0

FTE trade union representatives: 0

Percentage of working hours spent on facility time 0% of working hours:

0 representatives 1 to 50% of working hours:

0 representatives 51 to 99% of working hours:

0 representatives 100% of working hours:

0 representatives

Total pay bill and facility time costs

Total pay bill: £2,924,458

Total cost of facility time: £0

Percentage of pay spent on facility time: 0.00%

Paid trade union activities

Hours spent on paid facility time: 0

Hours spent on paid trade union activities: 0

Percentage of total paid facility time hours spent on paid TU activities: 0%

#### **Related Parties and other Connected Charities and Organisations**

There are 3 close family members working in the Trust. N Reddie is the wife of Graham Reddie, a board trustee, E Wooller is the daughter of Hester Wooller, the CEO of the Trust and Headteacher of Earley St Peters CE Primary School and D Mead is the son of Julia Mead, the CFO of the Trust. For further details of related parties and transactions during the year see notes 12 and 28 to the financial statements.

The Keys Academy Trust has no relationships with any other charities/companies/organisations with which it cooperates in the pursuit of charitable activities.

## **Objectives and Activities**

### **Objects and Aims**

The Company's object is specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- i Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education: and
- ii other Academies whether with or without a designated religious character but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

## **The Keys Academy Trust**

### **Trustees' Report (continued)**

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

We are a Church of England multi academy trust committed to providing the very best educational experiences for our pupils and staff. It is the strategic objective of our Trust to create a family of academies that are recognised as centres of academic and pastoral excellence at the heart of the communities they serve. Our family will include convertor schools, sponsor schools or those graded "Requires Improvement" which will require a significant level of support and establishing new schools.

The Keys Academy Trust:

- Has academies recognised for academic and pastoral excellence;
- Provides a rich curriculum designed to inspire children to learn;
- Delivers outstanding CPD and opportunities to grow leaders;
- Welcomes new partnerships and shares best practice;
- Serves local communities

#### **Public Benefit**

As set out in the objects in the Articles of Association, the Trust is committed to advancing education for the public benefit and in so doing it serves pupils, staff, parents and their local communities by providing academies with academic and pastoral excellence at the heart of the communities. We have high expectations and in our academies, we seek to develop a love of learning so that our pupils will thrive intellectually, physically, socially, emotionally culturally and spiritually.

The Keys Academy Trust is motivated by Christian values to serve local communities but it does not impose those values. The Admissions policies have remained unchanged. We welcome those of all faiths and none and celebrate the ethnic diversity within our schools. We regularly organise in partnership with local colleges adult courses for learning English as an additional language which is accessed by members of the local community. In addition, ESP hosts Earley Music Centre on Saturdays which supports many youngsters from the community in developing music skills through learning instruments. Our swimming pool which is run by members of the school community is accessed after school, at weekends and during the holidays by members of the local community. We also run a holiday play club which is attended by pupils at ESP but also by pupils from other local schools.

The trustees of The Keys Academy Trust confirm that they have complied with their duty in Section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

#### **Fundraising**

During the year pupils across all of the schools have been involved in fundraising activities including cake sales, sponsored events and non-uniform days. They have donated the funds raised to local, national and international charities including Children in Need and an orphanage in Uganda.



## **Strategic Report**

### **Achievements and Performance**

The Trust has three schools: Earley St Peter's Church of England Primary School (convertor school), The Coombes Church of England Primary School (sponsor school) and St Sebastian's Church of England Primary School (convertor school).

#### **Earley St Peter's Church of England Primary School**

ESP has 487 pupils aged 4 - 11 on roll at October and is a larger than average primary school. The school was judged to be good in its last Ofsted Inspection in April 2016 and judged to be outstanding in its last SIAMs Inspection in September 2016. The academy trust was successful in its application to become an academy sponsor and the first sponsor school joined the trust on 1 September 2017.

For ESP, in 2018, pupil outcomes at the end of the foundation stage were above national figures and 79% of pupils achieved a good level of development. In the phonics screening test in Year 1, 86% of pupils passed.

#### **Year 6 outcomes:**

##### **School: Earley St Peter's Church of England Primary School**

##### **Key Stage 2 Headlines**

Number in Y6 Cohort: 69

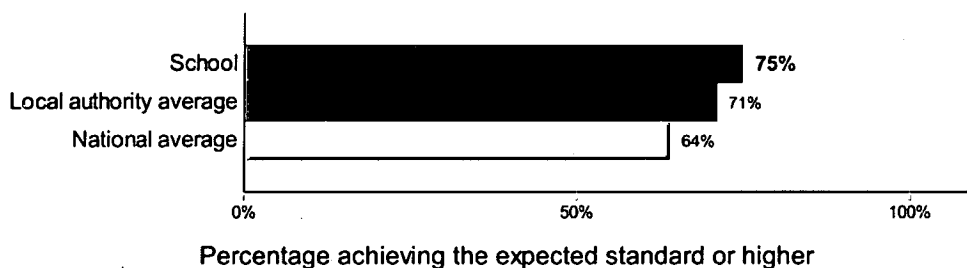
Test Results / Teacher Assessment	% of pupils working at the Expected Standard + (inc at Greater Depth)				% of pupils working at Expected Standard (inc at Greater Depth) RWM Combined			
	2017	national	2018	national	2017	national	2018	national
English Reading	78%	71%	91%	75%	71%	61%	75%	64%
English Writing (TA)	84%	76%	90%	78%				
Mathematics	86%	75%	80%	76%				
SPAG	90%	77%	93%	78%				

Test Results / Teacher Assessment	% of pupils working at Greater Depth				% of pupils working at Greater Depth in RWM Combined			
	2017	national	2018	national	2017	national	2018	national
English Reading	38%	25%	39%	28%	19%	9%	19%	10%
English Writing (TA)	30%	18%	42%	20%				
Mathematics	32%	23%	30%	24%				
SPAG	64%	31%	54%	34%				

## Reading, writing and maths combined

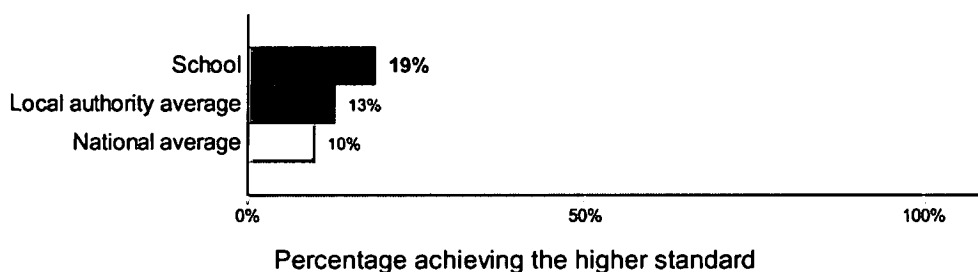
Percentage of pupils achieving the expected standard or higher

Number of pupils = 69



Percentage of pupils achieving the higher standard

Number of pupils = 69

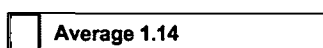


## Progress in reading, writing and maths

### Reading

Number of pupils = 65 \*

Pupils with adjusted scores = 0

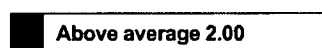


Confidence interval  
-0.4 to 2.6

### Writing

Number of pupils = 65

Pupils with adjusted scores = 0

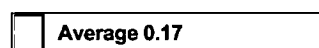


Confidence interval  
0.6 to 3.4

### Maths

Number of pupils = 65

Pupils with adjusted scores = 0



Confidence interval  
-1.1 to 1.5

## The Coombes Church of England Primary School

The Coombes has 398 pupils aged 3 - 11 on roll and it has the capacity to be a larger than average primary school with a PAN of 75. The school was judged to be inadequate in its last Ofsted Inspection in May 2016 and judged to be good in its last SIAMs Inspection in June 2015.

For The Coombes, in 2018, pupil outcomes at the end of the foundation stage: 62% of pupils achieved a good level of development. In the phonics screening test in Year 1, 90% of pupils passed.

**The Keys Academy Trust**  
**Trustees' Report (continued)**

**School: The Coombes CE Primary School**

**Key Stage 2 Headlines**

Number in Y6 Cohort: 60

Test Results / Teacher Assessment	% of pupils working at the Expected Standard + (inc at Greater Depth)				% of pupils working at Expected Standard (inc at Greater Depth) RWM Combined			
	2017	national	2018	national	2017	national	2018	national
English Reading	76%	72%	87%	75%				
English Writing (TA)	77%	76%	78%	78%	64%	61%	73%	64%
Mathematics	81%	75%	82%	76%				
SPAG	75%	77%	82%	78%				

Test Results / Teacher Assessment	% of pupils working at Greater Depth				% of pupils working at Greater Depth in RWM Combined			
	2017	national	2018	national	2017	national	2018	national
English Reading	28%	25%	30%	28%				
English Writing (TA)	28%	18%	28%	20%	12%	9%	14%	10%
Mathematics	28%	23%	25%	24%				
SPAG	33%	31%	41%	34%				

**St Sebastian's Church of England Primary School**

St Sebastian's has 153 pupils aged 4 - 11 on roll and is a smaller than average primary school. The school was judged to be good in its last Ofsted Inspection in July 2014 and judged to be good in its last SIAMs Inspection in December 2017.

For St Sebastian's, in 2018 pupil outcomes at the end of the foundation stage: 69% of pupils achieved a good level of development. In the phonics screening test in Year 1, 79% of pupils passed.

School: St Sebastian's CE Primary School

Key Stage 2 Headlines

Number in Y6 Cohort: 21

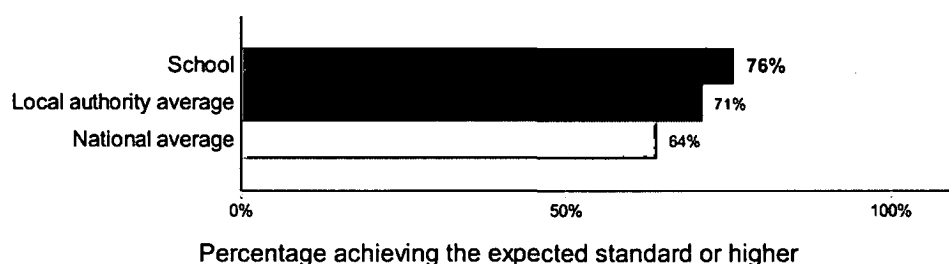
Test Results / Teacher Assessment	% of pupils working at the Expected Standard + (inc at Greater Depth)				% of pupils working at Expected Standard (inc at Greater Depth) RWM Combined			
	2017	national	2018	national	2017	national	2018	national
English Reading	72%	71%	86%	75%	72%	61%	76%	64%
English Writing (TA)	83%	76%	81%	78%				
Mathematics	83%	75%	86%	76%				
SPAG	78%	77%	76%	78%				

Test Results / Teacher Assessment	% of pupils working at Greater Depth				% of pupils working at Greater Depth in RWM Combined			
	2017	national	2018	national	2017	national	2018	national
English Reading	28%	25%	33%	28%	17%	9%	14%	10%
English Writing (TA)	22%	18%	29%	20%				
Mathematics	33%	23%	43%	24%				
SPAG	33%	31%	43%	34%				

## Reading, writing and maths combined

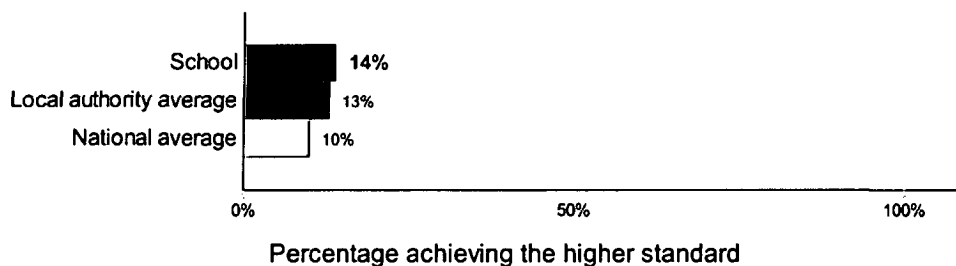
Percentage of pupils achieving the expected standard or higher

Number of pupils = 21



**Percentage of pupils achieving the higher standard**

Number of pupils = 21



**Progress in reading, writing and maths**

**Reading**

Number of pupils = 21

Pupils with adjusted scores = 1

**Average 0.81**

Confidence interval  
-1.8 to 3.4

**Writing**

Number of pupils = 21

Pupils with adjusted scores = 0

**Average 0.19**

Confidence interval  
-2.3 to 2.7

**Maths**

Number of pupils = 21

Pupils with adjusted scores = 0

**Average 0.43**

Confidence interval  
-1.9 to 2.7

School Improvement is driven by a tightly monitored system. There is a monitoring timetable for regular data reports of pupil progress and attainment which is analysed through reports in Target Tracker. All schools are required to use Target Tracker in the trust. This is followed by pupil progress meetings and a data commentary is reported to governors. This data is then triangulated through regular learning walks and scrutinises of pupil work and planning. The data reviewed by the local governing body is then reported to the Trustees' Curriculum and Church Ethos Committee. Accountability for progress, attainment and overall school performance is overseen by this Committee.

**The Keys Academy Trust**  
**Trustees' Report (continued)**

**Key Performance Indicators**

FOCUS	KPI	STATUS
Growth Strategy	The Coombes conversion to academy status	MET
	St Sebastian's conversion to academy status	MET
	MDIF Funding	MET
	To identify and work with schools to create a pipeline	MET
School Performance	KS2 DATA: To increase % of pupils achieving expected and GD in r,w,m and compare favourably to national averages. For progress measures to be at least in line with national figures in r,w,m in all schools	MET
Recruitment	Appointment of Trust Finance Accountant	MET
	Appointment of PA	MET
	Appointment of Director of Learning	MET
Governance	Scheme of delegation in place for the Coombes	MET
	Trust to recruit and appoint governors for LGB at The Coombes	MET
	Scheme of delegation reviewed for St Sebastian's	MET
	Terms of Reference for all committees – Finance & Audit, Curriculum and Church Ethos, Pay and Personnel	MET
	To hold a strategy day for Trustees to develop Growth Strategy	MET
Sponsor school	Secondment of a Senior Leader from ESP to The Coombes to lead teaching and learning	MET
	Support Budget management and implementation of standardised budget and accounting software	MET
	Recruitment of Teaching staff	MET
	Recruitment of Admin/Finance team	MET

**Going Concern**

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

## The Keys Academy Trust

### Trustees' Report (continued)

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#### Financial Review

Earley St Peter's Primary School joined the Trust on 1 July 2017, and then on 1 September 2017, The Coombes Primary School joined the Trust as a sponsored school and on 1 December 2017, St Sebastian's Primary School converted to academy status.

The majority of the Trust's income for the year was received through the Education and Skills Funding Agency, which is a recurrent revenue grant into the Restricted General Fund. The grants received during the year ended 31 August 2018 and the associated expenditure are shown in the Statement of Financial Activities. Due to the additional schools in the Trust, the revenue grants have increased from £410,209 to £4,482,260. The majority of this expenditure is spent on the wages and salaries and support costs and these represent across the trust 81% of total costs.

The total funds before capital, fixed assets and pension reserve have increased over the year from £397,986 to £771,049, this includes £80,974 of assets transferred from The Coombes and St Sebastian's Primary School on conversion.

The total restricted fixed asset fund has increased from £249,437 to £554,493 primarily due to the addition of the Caretakers' house from the conversion of The Coombes.

Following the transfer of The Coombes and St Sebastian's to the Trust there was a transfer of £1,230,000 for the LGPS pension deficit.

#### Reserves Policy

The Trust's policy for reserves is that a minimum un-committed reserve of no less than 2% of ESFA General Annual Grant Statement is retained for each academy.

The Trust has set out the purpose of such reserves as follows:

- a) An unforeseen emergency or unexpected need for funds, e.g. an unexpected large repair bill,
- b) Covering unforeseen day to day operational costs, e.g. employing temporary staff to cover a long term absence,
- c) A grant not being renewed,
- d) Significant planned commitments or projects that cannot be met by future income alone,
- e) The need to fund short-term deficits in cash flow before a funding grant is received.

On 31 August 2018 the Academy held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£
Unrestricted General Funds	359,830
Restricted Capital Funds	94,968
Restricted General Funds	<u>411,219</u>
Reserves at 31 August 2018	866,017

Due to the significant reduction in pupil numbers, at both the October 2017 and October 2018 school census dates, at one of the schools in the trust, savings have been made in the current year to support the staffing structure for the next 2 academic years.

The LGPS Pension Deficit is likely to be met in the longer term from any combination of increased employer contributions, increased government funding or change to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

## **The Keys Academy Trust**

### **Trustees' Report (continued)**

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#### **Investment Policy**

The Keys Academy Trust does not have any investments, except for the cash balances at Lloyds Bank plc and Barclays Bank plc.

#### **Principal Risks and Uncertainties**

The major risks to which the MAT is exposed are:

- Shortfalls in funding which have not been anticipated
- Impact of the national funding formula
- Teacher recruitment which impacts on outcomes, staff costs and staff retention rates
- Increasing staff costs,
- Falling rolls at schools within the Trust
- Changes in government policy regarding academies
- Poor performance of schools within the Trust
- Poor condition of school buildings
- Failures in Safeguarding or Health and Safety procedures at schools within the Trust

All risks are reflected in the Trust's Risk register and are reviewed at the Finance and Audit Committee.

#### **Plans for Future Periods**

##### **School Improvement**

The School Improvement offer by the Trust has focused on developing quality first teaching and improving teacher assessment skills using Target Tracker as a tool to drive both the planning and assessment. The School Improvement team has led moderation sessions for teachers at the end of EYFS, KS1 and KS2.

In the academic year 2018/2019 the focus for school improvement will be on using the latest research from EEF and Chartered College with a focus on meta cognition and self-regulation. The research indicates that this has a high level of impact on pupil outcomes with a low cost to the schools.

There will be a focus on subject leaders working together across the trust to benefit from sharing good practice and curriculum development. All the schools will receive CPD focussing on a knowledge rich curriculum and developing knowledge organisers.

The trust has asked Headteachers to identify teachers to build leadership capacity within each school. The trust is running a programme, Growing Leaders, and there are a series of six sessions across the year.

The Trust is also organising a series of Challenge Days for the most able children in identified cohorts across the trust to spend time working collaboratively together.

##### **New Schools**

We are working in partnership with the Oxford Diocese Board of Education to submit applications for new schools in Wokingham as part of our Growth Strategy Plan.

##### **Convertor Schools**

Opportunities for further schools to join are being explored to allow the Trust to grow so that the Trust can begin to benefit from economies of scale. The Trust is in various discussions with schools in the local area to join the Trust.



**The Keys Academy Trust**  
**Trustees' Report (continued)**

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**Funds Held as Custodian Trustee on Behalf of Others**

The trust holds no Assets and Funds as Custodian Trustee on behalf of others.

**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, approved by order of the board of trustees, as the company directors, on 7 December 2018 and signed on the board's behalf by:



**Jane Peters**  
Trustee

## **The Keys Academy Trust**

### **Governance Statement**

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#### **Scope of Responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Keys Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

##### **Trustees Board**

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Jane Peters (Chair)	6	7
Andrew Barlow	7	7
Rev Hannah Hobday	7	7
Graham Reddie	7	7
Jane Williams	7	7
Hester Wooller	7	7

All of the Trustees were appointed from the date of incorporation of the Trust.

##### **Governance Reviews**

The Board completed a review of governance of its first year in June 2018. The skills audit of the trustees was carried out with a view to identifying prospective Trustees who would complement and supplement the existing skills within the Trust. A new Trustee was identified and appointed by the members on 21<sup>st</sup> November 2018.

##### **Committees**

There are 3 sub committees of the main board of trustees;

- Finance and Audit Committee
- Curriculum Effectiveness and Church Ethos Committee
- Pay and Personnel Committee

## **The Keys Academy Trust**

### **Governance Statement (continued)**

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#### ***Finance and Audit Committee***

The finance and audit committee is a sub-committee of the main board of trustees. Its purpose is to:

- Review the finance manual and make recommendations to the Board of Trustees
- Review systems of internal financial control
- Receive and respond to the external audit report
- Review internal control and report findings to the Board of Trustees
- Consider and act on recommendations in the Internal Auditor's report
- Review and consider the Trust and schools' Risk Registers and advise the Board as necessary

Key issues for the finance and audit committee for the period were:

- To review the Trust Finance Manual with all appropriate policies and procedures
- To agree the Terms of reference for the Trust committee's
- To review the risk within the Trust
- To produce an annual timetable of the key deliverables

There were 5 finance and audit committee meetings in the year ended 31 August 2018. Attendance during the year at meetings of the finance and audit committee was as follows:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Jane Peters	3	5
Rev Hannah Hobday	5	5
Graham Reddie	5	5
Jane Williams	5	5
Hester Wooller	5	5

#### ***Pay & Personnel***

The purpose of the pay and personnel committee is to:

##### ***Pay and Conditions***

- To review the salaries of centrally employed staff each year, taking account of any recommendations made by officers of the Trust in respect of the annual appraisal process.
- In consultation with the Finance and Audit Committee, to review and recommend to the Trust changes to the pay policy, having undertaken any appropriate consultation.
- To establish arrangements and monitoring facilities to achieve the aims of the Trust's pay policy in a fair and equitable manner.
- To oversee and monitor the application of the criteria set out in the Trust's pay policy in determining matters relating to the pay of members of staff.
- To consider and approve recommendations for discretionary payments.
- To consider and approve changes to job grading for existing/new posts.

##### ***Personnel***

- To agree/recommend any pay and personnel related statutory and other policies to be adopted across the Trust's schools - e.g. appraisal, disciplinary, equality. Copies of policies will be on the Trust's website once established.
- To set up appointment panels where required for staff at Headteacher and Deputy Headteacher level, for centrally employed staff and for such other posts as may be determined.
- To advise the Trust on the implication of any changes in employment legislation affecting it
- To receive, consider and approve changes to the management structure of the Trust's schools
- To be notified of any disciplinary/grievance, and provide support as appropriate.

## The Keys Academy Trust

### Governance Statement (continued)

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- To hear appeals against dismissal.
- To make recommendations to the Trust on the appointment of new Trustees and members of Local Governing Bodies and analogous committees.
- To monitor admissions policies and appeals arrangements in the Trust's schools and to make any appropriate recommendations to the Trust.

There were 3 pay and personnel meetings in the year ended 31 August 2018. Attendance during the year at meetings of the pay and personnel committee was as follows:

Trustee	Meetings Attended	Out of a possible
Graham Reddie	3	3
Hester Wooller	3	3
Andy Barlow	2	3
Jane Williams	3	3
Jane Peters	3	3

### **Curriculum Effectiveness and Church Ethos**

The purpose of the CE and CE Committee is to:

- To monitor curriculum advice, guidance and effective implementation across the Trust.
- To monitor pupil outcomes (to include data, attendance, behaviour, SEN and disadvantaged groups) across the Trust and identify actions in collaboration with the CEO to support the schools as appropriate.
- To ensure that the distinctive Christian values of the Trust are upheld and supported in its schools including through SMSC provision and with regard to the SIAMS framework.
- To monitor the spiritual and pastoral care of all members of our schools' communities, ensuring that leaders are supported and trained.

There were 5 curriculum effectiveness and church ethos committee meetings in the year ended 31 August 2018. Attendance during the year at meetings of the curriculum effectiveness and church ethos committee was as follows:

Trustee	Meetings Attended	Out of a possible
Hannah Hobday	5	5
Andy Barlow	3	5
Jane Peters	1	5
Hester Wooller	5	5

## **The Keys Academy Trust**

### **Governance Statement (continued)**

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#### **Review of Value for Money**

As Accounting Officer, the CEO 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:

Ensuring a high level of support has been targeted at the sponsor school. Educational outcomes in 2016 at the end of KS2 were below national figures in writing, maths and the combined reading, writing and maths in which only 47% of pupils achieved age related expectations and 3% achieved the higher grade. The CEO, has been supporting teaching and learning since December 2016 and the outcomes have increased significantly to 75% achieving age related expectations and 14% achieving the higher grade in 2018. These figures are higher than national and the local Wokingham LA results. There has been no additional cost to the trust and all CPD focusing on teaching and learning has been led by members of the Senior Leaders at ESP.

The local authority took on the large deficit at The Coombes on the date of conversion. Both the CEO and the CFO of the MAT have worked closely with the senior leadership management team at the school to improve the financial management at the school during the year. New financial systems have been introduced for the Extended Services Club to ensure that all revenue is collected; staffing levels have been scrutinised extensively and where members of staff have left the school through natural wastage they have not been replaced; there are less agency staff in place and there has been a significant review of other expenditure.

With three schools now in the MAT, the schools have started to work together so that when existing contracts terminate or when purchases are required for all schools across the trust, the Trust can use its central purchasing power to negotiate better contracts and therefore deliver value for money.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Keys Academy Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2018 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 Keys Academy Trust**

### **Governance Statement (continued)**

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#### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and 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 specific internal audit and has decided to appoint Critchleys LLP as its internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included:

- A walkthrough of the procurement process for one transaction to be selected at random in the year to date, and review the procurement process from start to finish.
- Review the process of tendering and procurement for a sample of orders
- Review methods of payments made by the school

The internal auditor has reported to the Board of Trustees in these systems of control and the Trust can confirm that the internal auditor has delivered their scope of work and that there have been no material control issues requiring remedial action.

In addition to the review carried out by Critchleys LLP, the Chair of Finance and Audit Committee performed a review of the financial processes in each school and produced a report to the Board of Trustees and there were no material control issues requiring remedial action.

#### **Review of Effectiveness**

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

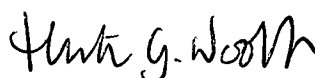
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 7 December 2018 and signed on its behalf by:



**Jane Peters**  
Trustee



**Hester Wooller**  
Accounting Officer

## **The Keys Academy Trust**

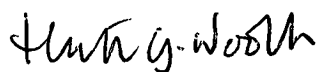
### **Statement on Regularity, Propriety and Compliance**

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As accounting officer of The Keys Academy Trust, I have considered my responsibility to notify the academy trust's board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



**Hester Wooller**  
Accounting Officer

7 December 2018

## **The Keys Academy Trust**

### **Statement of Trustees' Responsibilities**

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The trustees (who act as governors of The Keys Academy Trust 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 Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 7 December 2018 and signed on its behalf by:



**Jane Peters**  
Trustee



## **The Keys Academy Trust**

### **Independent Auditor's Report to the members of The Keys Academy Trust**

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#### **Opinion on financial statements**

We have audited the financial statements of The Keys Academy Trust ('the academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2017 to 2018 issued by the ESFA.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

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

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our 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.

We have nothing to report in this regard.

## **The Keys Academy Trust**

### **Independent Auditor's Report to the members of The Keys Academy Trust (continued)**

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#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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 22), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

## The Keys Academy Trust

### Independent Auditor's Report to the members of The Keys Academy Trust (continued)

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#### Use of our report

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

Robert Kirtland (Senior statutory auditor)  
For and on behalf of Critchleys Audit LLP  
Statutory Auditor  
Oxford



Date:

18/12/2018

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

## **The Keys Academy Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to The Keys Academy Trust and the Education and Skills Funding Agency**

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In accordance with the terms of our engagement letter dated 18 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by The Keys Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

#### **Respective responsibilities of The Keys Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Keys Academy Trust's funding agreement with the Secretary of State for Education dated 28 June 2017 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the 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:

1. Reviewing of minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information.
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

## The Keys Academy Trust

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

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#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### Use of our report

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



Critchleys Audit LLP  
Reporting Accountant  
Oxford

Date:



**The Keys Academy Trust**  
**Statement of Financial Activities**  
**For the year ended 31 August 2018**  
**(including Income and Expenditure Account)**

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2018	Total 1 July - 31 August 2017
	Note	£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and capital grants	2	14,558	39,926	24,809	79,293	30,387
Transfer from local authority on conversion	3	100,523	(1,230,000)	297,741	(831,736)	(102,313)
Charitable activities						
Funding for the academy trust's educational operations	4	-	4,482,260	-	4,482,260	410,209
Other income for educational operations	5	248,267	-	-	248,267	21,946
Other trading activities	6	26,883	-	-	26,883	430
Investments	7	325	-	-	325	17
<b>Total</b>		<b>390,556</b>	<b>3,292,186</b>	<b>322,550</b>	<b>4,005,292</b>	<b>360,676</b>
<b>Expenditure on:</b>						
Charitable activities:						
Academy trust educational operations	9	289,708	4,498,858	24,607	4,813,173	350,253
<b>Total</b>		<b>289,708</b>	<b>4,498,858</b>	<b>24,607</b>	<b>4,813,173</b>	<b>350,253</b>
<b>Net income / (expenditure) before transfers</b>		<b>100,848</b>	<b>(1,206,672)</b>	<b>297,943</b>	<b>(807,881)</b>	<b>10,423</b>
<b>Transfers between funds</b>	17	-	(7,113)	7,113	-	-
<b>Net income / (expenditure) for the period</b>		<b>100,848</b>	<b>(1,213,785)</b>	<b>305,056</b>	<b>(807,881)</b>	<b>10,423</b>
<b>Other recognised gains / (losses):</b>						
Actuarial gains / (losses) on defined benefit pension schemes	17, 27	-	461,000	-	461,000	(60,000)
<b>Net movement in funds</b>		<b>100,848</b>	<b>(752,785)</b>	<b>305,056</b>	<b>(346,881)</b>	<b>(49,577)</b>
<b>Reconciliation of Funds</b>						
<b>Funds brought forward at 1 September 2017</b>		<b>258,982</b>	<b>(557,996)</b>	<b>249,437</b>	<b>(49,577)</b>	<b>-</b>
<b>Funds carried forward at 31 August 2018</b>		<b>359,830</b>	<b>(1,310,781)</b>	<b>554,493</b>	<b>(396,458)</b>	<b>(49,577)</b>

All of the Academy's activities derive from continuing operations and acquisitions in the current accounting period (see note 30).

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

**The Keys Academy Trust**  
**Balance sheet**  
**As at 31 August 2018**

**Company number:**  
**10818575**

	Notes	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Tangible assets	14		459,525		234,797
<b>Current assets</b>					
Debtors	15	147,370		143,867	
Cash at bank and in hand		<u>1,139,945</u>		<u>355,463</u>	
		1,287,315		499,330	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	16	<u>(421,298)</u>		<u>(86,704)</u>	
<b>Net current assets</b>			<u>866,017</u>		<u>412,626</u>
<b>Total assets less current liabilities</b>			1,325,542		647,423
<b>Net assets excluding pension liability</b>			<u>1,325,542</u>		<u>647,423</u>
Defined benefit pension scheme liability	27		<u>(1,722,000)</u>		<u>(697,000)</u>
<b>Total net liabilities</b>			<u>(396,458)</u>		<u>(49,577)</u>
<b>Funds of the academy trust:</b>					
Restricted fixed asset funds	17		554,493		249,437
Restricted funds					
Restricted funds excluding pension liability	17	411,219		139,004	
Pension reserve	17	<u>(1,722,000)</u>		<u>(697,000)</u>	
			(1,310,781)		(557,996)
<b>Total restricted funds</b>			<u>(756,288)</u>		<u>(308,559)</u>
<b>Unrestricted funds</b>	17		359,830		258,982
<b>Total funds</b>			<u>(396,458)</u>		<u>(49,577)</u>

The financial statements on pages 28 to 55 were approved by the trustees and authorised for issue on 7 December 2018 and are signed on their behalf by



**Jane Peters**  
Trustee

**The Keys Academy Trust**  
**Statement of Cash Flows**  
**For the year ended 31 August 2018**

	Notes	2018 £	1 July - 31 August 2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	610,419	71,891
<b>Cash flows from investing activities</b>	23	18,021	(4,094)
<b>Cash flows from financing activities</b>	22	-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<u>628,440</u>	<u>67,797</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Cash transferred on conversion to an academy trust		156,042	287,666
<b>Cash and cash equivalents at 1 September 2017</b>		355,463	-
<b>Cash and cash equivalents at 31 August 2018</b>	24	<u><u>1,139,945</u></u>	<u><u>355,463</u></u>

All of the cash flows are derived from continuing operations and acquisitions in the current accounting period (see note 30).



## **1 Statement of 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

### **Conversion to an Academy Trust**

The conversion from a Local Authority maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

### **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 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.

## 1 Statement of Accounting Policies (continued)

### Income (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.

#### Donated goods, facilities and services

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

#### Transfer on conversion

Where assets and liabilities are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income to the net assets received.

### Expenditure

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

#### Expenditure on Raising Funds

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

#### Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

### Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

## 1 Statement of Accounting Policies (continued)

### 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.

The property transferred on conversion has been valued on a depreciated replacement cost basis which is not representative of market value (see note 14 for further details).

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

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

Leasehold buildings	50 years from conversion
Leasehold improvements	10-30 years
Fixtures, fittings and equipment	4 years
ICT equipment	3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

### Cash

Cash at bank and in hand includes cash held in notice deposits of less than 12 months which can be accessed at short notice if required. The amount held in notice deposits can be seen in note 24.

### 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.

## **1 Statement of Accounting Policies (continued)**

### **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 costs as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

### **Taxation**

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

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

### **Pensions Benefits**

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

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. As stated in note 27, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

## 1 Statement of Accounting Policies (continued)

### 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 funders where the asset acquired or created is held for a specific purpose.

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

### Critical accounting estimates and areas of judgement

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

#### *Critical accounting estimates and assumptions*

The academy trust makes estimate 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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### *Critical areas of judgement*

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 27).

## 2 Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total 2018	Total 1 July - 31 August 2017
	£	£	£	£
<b>DfE/ESFA capital grants</b>				
Devolved formula capital grant	-	24,809	24,809	-
Condition Improvement Funding	-	-	-	-
	<u>-</u>	<u>24,809</u>	<u>24,809</u>	<u>-</u>
<b>Other donations</b>	14,558	39,926	54,484	30,387
	<u>14,558</u>	<u>64,735</u>	<u>79,293</u>	<u>30,387</u>

The income from donations and capital grants was £79,293 (2017: £30,387) of which £14,558 was unrestricted (2017: £11,636), £39,926 restricted (2017: £Nil) and £24,809 restricted fixed assets (2017: £18,751).

## 3 Transfer from Local Authority on Conversion

	Unrestricted Funds	Restricted Funds	Total 2018	Total 1 July - 31 August 2017
	£	£	£	£
Transfer from Local Authority on Conversion	100,523	(932,259)	(831,736)	(102,313)
	<u>100,523</u>	<u>(932,259)</u>	<u>(831,736)</u>	<u>(102,313)</u>

The transfer from local authority on conversion was £-831,736 (2017: £-102,313) of which £100,523 was unrestricted (2017: £287,666), £-1,230,000 restricted (2017: £-623,000) and £297,741 restricted fixed assets (2017: £233,021).

See Note 30 for further details.

## 4 Funding for Academy's educational operations

	Unrestricted Funds	Restricted Funds	Total 2018	Total 1 July - 31 August 2017
	£	£	£	£
<b>DfE/ESFA revenue grants</b>				
General Annual Grant (GAG)	-	3,737,169	3,737,169	275,889
Other DfE Group grants	-	415,991	415,991	108,949
	<u>-</u>	<u>4,153,160</u>	<u>4,153,160</u>	<u>384,838</u>
<b>Other Government grants</b>				
Early Years funding	-	251,295	251,295	-
Local authority revenue funding	-	77,805	77,805	25,371
	<u>-</u>	<u>329,100</u>	<u>329,100</u>	<u>25,371</u>
	<u>-</u>	<u>4,482,260</u>	<u>4,482,260</u>	<u>410,209</u>

The funding for the academy's educational operations was £4,482,260 (2017: £410,209) of which £Nil was unrestricted (2017: £Nil), £4,482,260 restricted (2017: £410,209) and £Nil restricted fixed assets (2017: £Nil).

**5 Other income for educational operations**

	Unrestricted Funds	Restricted Funds	Total 2018	Total 1 July - 31 August 2017
	£	£	£	£
Trip and activity income	64,961	-	64,961	12,961
Catering income	220	-	220	-
Other income	183,086	-	183,086	8,985
	<u>248,267</u>	<u>-</u>	<u>248,267</u>	<u>21,946</u>

The other income for educational operations was £248,267 (2017: £21,946) of which £248,267 was unrestricted (2017: £21,946), £Nil restricted (2017: £Nil) and £Nil restricted fixed assets (2017: £Nil).

**6 Other trading activities**

	Unrestricted Funds	Restricted Funds	Total 2018	Total 1 July - 31 August 2017
	£	£	£	£
Hire of facilities	26,883	-	26,883	430
	<u>26,883</u>	<u>-</u>	<u>26,883</u>	<u>430</u>

The other trading activities income was £26,883 (2017: £430) of which £26,883 was unrestricted (2017: £430), £Nil restricted (2017: £Nil) and £Nil restricted fixed assets (2017: £Nil).

**7 Investment Income**

	Unrestricted Funds	Restricted Funds	Total 2018	Total 1 July - 31 August 2017
	£	£	£	£
Short term deposits	325	-	325	17
	<u>325</u>	<u>-</u>	<u>325</u>	<u>17</u>

The investment income was £325 (2017: £17) of which £325 was unrestricted (2017: £17), £Nil restricted (2017: £Nil) and £Nil restricted fixed assets (2017: £Nil).

## 8 Expenditure

	Staff Costs	Non Pay Premises Costs	Expenditure Other Costs	Total 2018	Total 1 July - 31 August 2017
	£	£	£	£	£
<b>Academy's educational operations</b>					
Direct costs (note 9)	3,249,508	-	191,438	3,440,946	261,078
Allocated support costs (note 9)	707,582	248,308	416,337	1,372,227	89,175
	<u>3,957,090</u>	<u>248,308</u>	<u>607,775</u>	<u>4,813,173</u>	<u>350,253</u>
	<u>3,957,090</u>	<u>248,308</u>	<u>607,775</u>	<u>4,813,173</u>	<u>350,253</u>

The expenditure on academy's educational operations was £4,813,173 (2017: £350,253) of which £289,708 was unrestricted (2017: £34,012), £4,498,858 restricted (2017: £313,906) and £24,607 restricted fixed assets (2017: £2,335).

### Net income/(expenditure) for the period includes:

	2018	1 July - 31 August 2017
	£	£
Operating lease rentals	7,684	-
Depreciation	24,607	2,335
Fees payable to auditor for:		
Audit	13,050	4,500
Other services	<u>3,850</u>	<u>2,600</u>

## 9 Charitable activities

	Total 2018	Total 1 July - 31 August 2017
	£	£
Direct costs - educational operations	3,440,946	261,078
Support costs - educational operations	<u>1,372,227</u>	<u>89,175</u>
	<u>4,813,173</u>	<u>350,253</u>

### Analysis of support costs

	Educational operations	Total 2018	Total 1 July - 31 August 2017
	£	£	£
Support staff costs	451,582	451,582	38,242
Depreciation	24,607	24,607	2,335
Technology costs	75,048	75,048	1,363
Premises costs	248,308	248,308	1,702
Other support costs	261,053	261,053	17,223
Governance costs	55,629	55,629	14,310
Other pension costs	229,000	229,000	17,000
Other finance costs (FRS102 pension)	27,000	27,000	(3,000)
	<u>1,372,227</u>	<u>1,372,227</u>	<u>89,175</u>



## 10 Staff Costs

	2018	1 July - 31 August 2017
	£	£
<b>Staff costs during the period were:</b>		
Wages and salaries	2,924,458	237,199
Social security costs	224,422	17,938
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	434,788	36,512
FRS102 Other pension and finance costs	256,000	14,000
Apprenticeship levy	-	-
	<u>3,839,668</u>	<u>305,649</u>
Supply staff costs	112,422	-
Staff restructuring costs	5,000	-
	<u>3,957,090</u>	<u>305,649</u>
 Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	5,000	-
Other restructuring costs	-	-
	<u>5,000</u>	<u>-</u>

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

	2018	1 July - 31 August 2017
	No.	No.
Teachers	65	24
Administration and support	126	67
Management	4	3
	<u>195</u>	<u>94</u>

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

	2018	1 July - 31 August 2017
	No.	No.
£60,001 - £70,000	1	-
£80,001 - £90,000	1	-

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1-2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £290,260 (2017: £31,880). During the year ended 31 August 2018, two additional schools joined The Keys Academy Trust. The period ended 31 August 2017 was a two month period and there was one school in the trust during that period.

## 11 Central services

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

Governance	Finance Support
Policy	School Improvement

The trust charges a fee for these centrally provided services based on a % of GAG income.

The actual amounts charged during the period were as follows:

	2018	1 July - 31 August 2017
	£	£
The Coombes C of E Primary School	80,677	-
Earley St Peter's C of E Primary School	81,981	14,079
St Sebastian's C of E Primary School	24,756	-
	<u>187,414</u>	<u>14,079</u>

## 12 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 Chief Executive Officer and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment.

	2018	1 July - 31 August 2017
	£	£
H Wooller, CEO and Headteacher Earley St Peter's		
Remuneration	£80k - £85k	£10k - £15k
Employer's pension contributions paid	£10k - £15k	£0k - £5k

During the year ended 31 August 2018, travel and subsistence expenses totalling £192 were reimbursed or paid directly to 1 trustee (2017: £80 to 1 trustee).

## 13 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 cost of this insurance is included in the total insurance cost but has not been separately identified.

#### 14 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
<b>Cost</b>				
As at 1 September 2017	205,000	32,132	-	237,132
Transfer on conversion	242,222	-	-	242,222
Additions	-	-	7,113	7,113
As at 31 August 2018	447,222	32,132	7,113	486,467
<b>Depreciation</b>				
As at 1 September 2017	-	2,335	-	2,335
Charged in year	8,944	15,039	624	24,607
As at 31 August 2018	8,944	17,374	624	26,942
<b>Net book values</b>				
As at 31 August 2018	438,278	14,758	6,489	459,525
As at 1 September 2017	205,000	29,797	-	234,797

#### Transfers on conversion during the period ended 31 August 2017 & 31 August 2018

The academy trust entered into a Supplemental Agreement with Church land trustees for the use of land and buildings at Earley St Peter's C of E Primary School. The academy trust has permission to use the land and buildings for an indefinite period, subject to a 2 year termination notice period. The land and buildings have not been recognised as a fixed asset as the trustees consider that the academy trust does not have sufficient control over the premises.

The building associated with a house on the grounds of Earley St Peter's C of E Primary School has been recognised as the academy trust does have control over this premises.

The academy trust entered into a Supplemental Agreement with Church land trustees for the use of land and buildings at The Coombes C of E Primary School and St Sebastian's C of E Primary School. The academy trust has permission to use the land and buildings for an indefinite period, subject to a 2 year termination notice period. The land and buildings have not been recognised as a fixed asset as the trustees consider that the academy trust does not have sufficient control over the premises.

The building associated with a house on the grounds of The Coombes C of E Primary School has been recognised as the academy trust does have control over this premises.

## 15 Debtors

	2018	2017
	£	£
Trade debtors	7,037	13,527
VAT recoverable	43,203	3,010
Prepayments and accrued income	97,130	127,330
Other debtors	-	-
	<u>147,370</u>	<u>143,867</u>

## 16 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	80,425	14,060
Other taxation and social security	57,738	-
Other creditors	62,487	-
Accruals and deferred income	220,648	72,644
	<u>421,298</u>	<u>86,704</u>

### Deferred income

	2018	2017
	£	£
Deferred income at 1 September	48,052	-
Released from previous years	(48,052)	-
Resources deferred in the period	97,889	48,052
Deferred income at 31 August	<u>97,889</u>	<u>48,052</u>

Deferred income represents funding received specifically for next financial year.

## 17 Funds

	Balance at 1 Sept 2017 £	Income £	Expenditure £	Gains, losses and transfer £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	22,733	3,737,169	(3,379,195)	-	380,707
Pupil Premium funding	12,783	176,502	(184,285)	-	5,000
Other DfE funding	103,488	239,489	(329,802)	-	13,175
Local authority revenue funding	-	77,805	(77,805)	-	-
Early Years funding	-	251,295	(251,295)	-	-
Other restricted funds	-	39,926	(20,476)	(7,113)	12,337
Pension reserve (note 27)	(697,000)	(1,230,000)	(256,000)	461,000	(1,722,000)
	<u>(557,996)</u>	<u>3,292,186</u>	<u>(4,498,858)</u>	<u>453,887</u>	<u>(1,310,781)</u>
<b>Restricted fixed asset funds</b>					
Devolved Formula Capital	-	24,809	-	-	24,809
Capital transferred on conversion	14,640	39,512	-	-	54,152
Capital donations	-	16,007	-	-	16,007
Fixed asset fund (note 14)	234,797	242,222	(24,607)	7,113	459,525
	<u>249,437</u>	<u>322,550</u>	<u>(24,607)</u>	<u>7,113</u>	<u>554,493</u>
<b>Total restricted funds</b>	<u><b>(308,559)</b></u>	<u><b>3,614,736</b></u>	<u><b>(4,523,465)</b></u>	<u><b>461,000</b></u>	<u><b>(756,288)</b></u>
<b>Unrestricted funds</b>					
Unrestricted funds	258,982	390,556	(289,708)	-	359,830
<b>Total unrestricted funds</b>	<u><b>258,982</b></u>	<u><b>390,556</b></u>	<u><b>(289,708)</b></u>	<u><b>-</b></u>	<u><b>359,830</b></u>
<b>Total funds</b>	<u><b>(49,577)</b></u>	<u><b>4,005,292</b></u>	<u><b>(4,813,173)</b></u>	<u><b>461,000</b></u>	<u><b>(396,458)</b></u>

The General Annual Grant represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2018.

Pupil Premium Funding represents funding received from the Department for Education (DfE) to raise the attainment of disadvantaged pupils of all abilities. The eligibility of the pupils and rates of grant per pupil are set-out by the DfE. This funding is to be used for the provision of education.

Other DfE funding represents other forms of funding received from the Department for Education. This includes but is not limited to Rates Relief Income, UIFSM funding and PE grant.

Local Authority Revenue funding represents various grant funding provided by Local Authorities.

Early Years funding represents grant funding provided by Local Authorities to be used for the provision of education to Early Years.

Other restricted funds represent amounts given to the academy for specific revenue purposes.

The pension reserve fund separately identifies the pension deficit on the Local Government Pension Scheme, and through which all the movements on the pension scheme are recognised.

Devolved Formula Capital represents funding provided by the Department for Education to be used for capital projects. This funding may be used for specific capital projects which are not considered to be fixed asset additions.

Capital transferred on conversion represents the balance of capital funds transferred from the Local Authority on conversion.

Capital donations represent amounts given to the academy for specific capital purposes.

The Fixed Asset fund recognises the net book value of tangible fixed assets transferred to the trust on conversion and additions since conversion.

Unrestricted funds represent other income to the academy trust which is not received as funding or with a specific purpose.

The Keys Academy Trust  
Notes to the financial statements  
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17 Funds (continued)

**Total funds analysis by academy**

Fund balances at 31 August 2018 were allocated as follows:

	2018 £	2017 £
The Coombes C of E Primary School	287,581	-
Earley St Peter's C of E Primary School	410,703	308,860
St Sebastian's C of E Primary School	21,311	-
Central Services	51,454	89,126
Total before capital, fixed assets and pension reserve	771,049	397,986
Capital reserves	94,968	14,640
Fixed asset fund (representing net book value of fixed assets - note 14)	459,525	234,797
Pension reserve	(1,722,000)	(697,000)
<b>Total funds</b>	<b>(396,458)</b>	<b>(49,577)</b>

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies (including all non staff direct costs) £	Other costs (excluding depreciation) £	Total Year Ended 31 August 2018 £	Total 1 July - 31 August 2017 £
The Coombes C of E	1,223,102	164,572	61,806	249,702	1,699,182	-
Earley St Peter's C of E	1,575,437	190,882	100,547	240,794	2,107,660	318,960
St Sebastian's C of E	394,279	38,751	24,896	77,384	535,310	-
Central	56,690	57,377	4,189	72,158	190,414	14,958
	<b>3,249,508</b>	<b>451,582</b>	<b>191,438</b>	<b>640,038</b>	<b>4,532,566</b>	<b>333,918</b>
				Depreciation	24,607	2,335
				Other finance costs and pension costs	256,000	14,000
				<b>Note 8</b>	<b>4,813,173</b>	<b>350,253</b>

## 17 Funds (continued)

### Comparative Funds

	Balance at 1 July 2017 £	Income £	Expenditure £	Gains, losses and transfer £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	275,889	(253,156)	-	22,733
Pupil Premium funding	-	-	-	12,783	12,783
Other DfE funding	-	108,949	(21,379)	15,918	103,488
Local authority revenue funding	-	25,371	(25,371)	-	-
Pension reserve (note 27)	-	(623,000)	(14,000)	(60,000)	(697,000)
	-	(212,791)	(313,906)	(31,299)	(557,996)
<b>Restricted fixed asset funds</b>					
Capital transferred on conversion	-	-	-	14,640	14,640
Capital donations	-	18,751	-	(18,751)	-
Fixed asset fund (note 14)	-	233,021	(2,335)	4,111	234,797
	-	251,772	(2,335)	-	249,437
<b>Total restricted funds</b>	-	38,981	(316,241)	(31,299)	(308,559)
<b>Unrestricted funds</b>					
Unrestricted funds	-	321,695	(34,012)	(28,701)	258,982
<b>Total unrestricted funds</b>	-	321,695	(34,012)	(28,701)	258,982
<b>Total funds</b>	-	360,676	(350,253)	(60,000)	(49,577)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 July 2017 £	Income £	Expenditure £	Gains, losses and transfer £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	4,013,058	(3,632,351)	-	380,707
Pupil Premium funding	-	176,502	(184,285)	12,783	5,000
Other DfE funding	-	348,438	(351,181)	15,918	13,175
Local authority revenue funding	-	103,176	(103,176)	-	-
Early Years funding	-	251,295	(251,295)	-	-
Other restricted funds	-	39,926	(20,476)	(7,113)	12,337
Pension reserve (note 27)	-	(1,853,000)	(270,000)	401,000	(1,722,000)
	-	3,079,395	(4,812,764)	422,588	(1,310,781)
<b>Restricted fixed asset funds</b>					
Devolved Formula Capital	-	24,809	-	-	24,809
Capital transferred on conversion	-	39,512	-	14,640	54,152
Capital donations	-	34,758	-	(18,751)	16,007
Fixed asset fund (note 14)	-	475,243	(26,942)	11,224	459,525
	-	574,322	(26,942)	7,113	554,493
<b>Total restricted funds</b>	-	3,653,717	(4,839,706)	429,701	(756,288)
<b>Unrestricted funds</b>					
Unrestricted funds	-	712,251	(323,720)	(28,701)	359,830
<b>Total unrestricted funds</b>	-	712,251	(323,720)	(28,701)	359,830
<b>Total funds</b>	-	4,365,968	(5,163,426)	401,000	(396,458)

## 18 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	459,525	459,525
Current assets	359,830	832,517	94,968	1,287,315
Current liabilities	-	(421,298)	-	(421,298)
Pension Scheme liability	-	(1,722,000)	-	(1,722,000)
<b>Total net assets</b>	<b>359,830</b>	<b>(1,310,781)</b>	<b>554,493</b>	<b>(396,458)</b>

## Comparative analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	234,797	234,797
Current assets	258,982	225,708	14,640	499,330
Current liabilities	-	(86,704)	-	(86,704)
Pension Scheme liability	-	(697,000)	-	(697,000)
<b>Total net assets</b>	<b>258,982</b>	<b>(557,996)</b>	<b>249,437</b>	<b>(49,577)</b>

## 19 Capital commitments

Contracted for, but not provided in the financial statements

	2018 £	2017 £
	-	-

## 20 Commitments under operating leases

### Operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	7,684	2,472
Amounts due between one and five years	8,144	3,214
Amounts due after five years	-	-
	<b>15,828</b>	<b>5,686</b>



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

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(807,881)	10,423
Adjusted for:		
Cash transferred on conversion	(156,042)	(287,666)
Depreciation (note 14)	24,607	2,335
Capital income re fixed assets transferred on conversion	(242,222)	(233,021)
Capital grants from DfE and other capital income	(24,809)	-
Interest receivable (note 7)	(325)	(17)
Defined benefit pension scheme obligation inherited	1,230,000	623,000
Defined benefit pension scheme cost less contributions payable (note 27)	229,000	17,000
Defined benefit pension scheme finance cost (note 27)	27,000	(3,000)
(Increase)/decrease in debtors	(3,503)	(143,867)
Increase/(decrease) in creditors	334,594	86,704
<b>Net cash provided by operating activities</b>	<b>610,419</b>	<b>71,891</b>

## 22 Cash flows from financing activities

	2018 £	2017 £
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>

## 23 Cash flows from investing activities

	2018 £	2017 £
Dividends, interest and rents from investments	325	17
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	(7,113)	(4,111)
Capital grants from DfE Group	24,809	-
Capital funding received from sponsors and others	-	-
<b>Net cash provided by/(used in) investing activities</b>	<b>18,021</b>	<b>(4,094)</b>

## 24 Analysis of cash and cash equivalents

	At 1 Sept 2017 £	Transfer on conversion £	Cash flows £	At 31 August 2018 £
Cash at bank and in hand	355,463	156,042	628,440	1,139,945
	<u>355,463</u>	<u>156,042</u>	<u>628,440</u>	<u>1,139,945</u>

## 25 Contingent liabilities

There are no contingent liabilities that require disclosure.

## 26 Members liability

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

## 27 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 the Royal County of Berkshire. 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.

Contributions amounting to £53,600 were payable to the schemes at 31 August 2018 (2017: £Nil) and are included within creditors.

### Teachers' Pension Scheme

#### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme governed by the Teachers' Pension Regulations (2010) and the Teachers' Pension Scheme Regulations 2014. 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 Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in the 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 - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

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 actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £293,265 (2017: £22,240).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

## 27 Pension and similar obligations (continued)

### Teachers' Pension Scheme (continued)

#### Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on the reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed schedule include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to the State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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

## 27 Pension and similar obligations (continued)

### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £189,000 (2017: £16,000), of which employer's contributions totalled £142,000 (2017: £12,000) and employees' contributions totalled £47,000 (2017: £4,000). The agreed contribution rates for future years are 18.6% and 19.6% for employers for the years ended 31 March 2019 and 2020 respectively and 5.5-12.5% for employees until 31 March 2020. The next full triennial valuation will be carried out as at 31 March 2019 with new contribution rates set from 1 April 2020.

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

### Principal actuarial assumptions

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment / inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.70%	2.60%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.2	25.1
<i>Retiring in 20 yrs</i>		
Males	25.3	25.2
Females	27.5	27.4

### Sensitivity Analysis - Effect on Scheme Liabilities

	At 31 August 2018 £	At 31 August 2017 £
<b>Present value of total obligation</b>		
Discount rate +0.1%	2,921,000	1,039,000
Discount rate -0.1%	3,092,000	1,100,000
Mortality assumption - 1 year increase	3,101,000	1,103,000
Mortality assumption - 1 year decrease	2,912,000	1,036,000
CPI rate +0.1%	N/A	N/A
CPI rate -0.1%	N/A	N/A

## 27 Pension and similar obligations (continued)

### Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	601,000	185,000
Other bonds	193,000	58,000
Property	176,000	51,000
Cash	190,000	43,000
Target return portfolio	52,000	20,000
Commodities	24,000	7,000
Infrastructure	86,000	26,000
Longevity insurance	(39,000)	(18,000)
<b>Total market value of assets</b>	<b>1,283,000</b>	<b>372,000</b>
Present value of scheme liabilities		
- Funded	(3,005,000)	(1,069,000)
<b>Surplus/(deficit) in the scheme</b>	<b>(1,722,000)</b>	<b>(697,000)</b>

The actual return on scheme assets was £7,000.

### Amounts recognised in the statement of financial activities

	2018 £	2017 £
Service cost	1,601,000	29,000
Net interest on the defined liability (asset)	47,000	2,000
<b>Total amount recognised in the SOFA</b>	<b>1,648,000</b>	<b>31,000</b>

## 27 Pension and similar obligations (continued)

### Local Government Pension Scheme (continued)

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

	2018 £	2017 £
At 1 September	1,069,000	-
Upon conversion	1,903,000	972,000
Current service cost	371,000	29,000
Interest cost	76,000	4,000
Employee contributions	47,000	4,000
Actuarial (gain)/loss	(461,000)	60,000
At 31 August	<u>3,005,000</u>	<u>1,069,000</u>

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

	2018 £	2017 £
At 1 September	372,000	-
Upon conversion	673,000	349,000
Interest income	29,000	2,000
Return on plan assets (excluding net interest on the net defined pension liability)	20,000	5,000
Employer contributions	142,000	12,000
Employee contributions	47,000	4,000
At 31 August	<u>1,283,000</u>	<u>372,000</u>

Reconciliation of opening and closing deficit				
	2018		2017	
	£	£	£	£
Pension deficit at 1 September		(697,000)		-
Current service cost	(371,000)		(29,000)	
Employer contributions	<u>142,000</u>		<u>12,000</u>	
Additional pension cost		(229,000)		(17,000)
Other finance (gains) / costs		(27,000)		3,000
Deficit transferred on conversion		(1,230,000)		(623,000)
Actuarial gains/(losses)		461,000		(60,000)
Pension deficit at 31 August		<u>(1,722,000)</u>		<u>(697,000)</u>

## 28 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

N Reddie (wife of G Reddie, Trustee) received remuneration during the year, for her work as a teaching assistant at Earley St Peters, of £11,339 (2017: £1,927). She did not receive any employer pension contribution (2017: Nil).

E Wooller (daughter of H Wooller, CEO, Headteacher of Earley St Peter's and Trustee) received remuneration during the year of £405 (2017: £270). She did not receive any employer pension contributions (2017: Nil).

D Mead (son of J Mead, CFO) received remuneration during the year of £195 (2017: Nil). He did not receive any employer pension contributions (2017: Nil).

## 30 Conversion to an Academy Trust

On 1 July 2017 Earley St Peter's Church of England Voluntary Aided Primary School (Local Authority maintained school) converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Keys Academy Trust from Wokingham Borough Council for £nil consideration.

The transfer was accounted for in 2016-17 as a combination that is in substance a gift. In 2017-18 additional amounts were received in relation to this transfer.

The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total £
Tangible fixed assets:				
Leasehold buildings	-	-	18,611	18,611
Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	19,549	-	-	19,549
Budget surplus on other school funds	-	-	1,371	1,371
	19,549	-	19,982	39,531
LGPS pension deficit	-	-	-	-
Net assets	19,549	-	19,982	39,531

The above net assets include £20,920 that was transferred as cash at bank.

### 30 Conversion to an Academy Trust (continued)

On 1 September 2017 The Coombes Church of England Primary School (Local Authority maintained school) converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Keys Academy Trust from Wokingham Borough Council for £nil consideration.

On 1 December 2017 Saint Sebastian's Church of England Aided Primary School (Local Authority maintained school) converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Keys Academy Trust from Wokingham Borough Council for £nil consideration.

The transfers have been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total £
<b>The Coombes Church of England Primary School</b>				
Tangible fixed assets:				
Leasehold buildings	-	-	223,611	223,611
Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	-	-	39,512	39,512
Budget surplus on other school funds	52,909	-	-	52,909
	52,909	-	263,123	316,032
<b>Saint Sebastian's Church of England Aided Primary School</b>				
Tangible fixed assets:				
Leasehold buildings	-	-	-	-
Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	28,065	-	-	28,065
Budget surplus on other school funds	-	-	14,636	14,636
	28,065	-	14,636	42,701
LGPS pension deficit	-	(1,230,000)	-	(1,230,000)
Net assets	80,974	(1,230,000)	277,759	(871,267)

The above net assets include £135,122 that was transferred as cash at bank.



### 30 Conversion to an Academy Trust (continued)

#### Total transfers on conversion

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total £
Tangible fixed assets:				
Leasehold buildings	-	-	242,222	242,222
Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	47,614	-	39,512	87,126
Budget surplus on other school funds	52,909	-	16,007	68,916
	100,523	-	297,741	398,264
LGPS pension deficit	-	(1,230,000)	-	(1,230,000)
Net assets	100,523	(1,230,000)	297,741	(831,736)

The above net assets include £156,042 that was transferred as cash at bank.