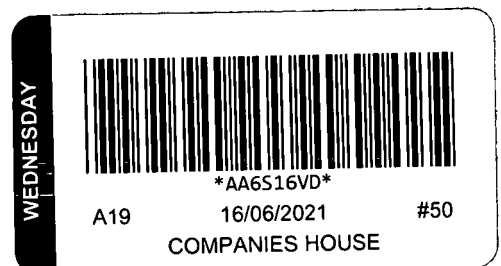


**The Keys Academy Trust**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**Year ended 31 August 2020**

**Period of account: 1 September 2019 – 31 August 2020**

**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 Director Tony Wilson)  
Ruth Bennie (resigned 10 November 2019)  
Fiona Craig (resigned 6 December 2019)  
Gordon Joyner (appointed 11 November 2019)  
Jane Peters  
Rev Stephen Pullin

### **Trustees**

Jane Peters (Chairperson) \*  
Graham Reddie (Vice Chairperson) \* - resigned 12  
October 2019  
Andrew Barlow – resigned 31 March 2020  
Rev. Hannah Hobday \*  
Penelope Jane Williams \*  
Hester Wooller \*  
David Horrocks – (appointed as Vice Chairperson  
11 November 2019)  
Rachel Pither

\* members of the finance and audit committee

### **Clerk**

Jodie Page

## **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
- Director of Learning – Alex Powley

<b>Company Name</b>	The Keys Academy Trust
<b>Principal and Registered Office</b>	PO Box 3168 Church Road Earley Reading Berkshire RG1 9DZ
<b>Company Registration Number</b>	10818575 (England and Wales)
<b>Independent Auditor</b>	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP
<b>Bankers</b>	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 2020. 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. 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. As at 31 August 2020, there are six primary schools operating within the trust, with a combined capacity of 1,652 pupils and 1,482 pupils on roll as at October 2019 Census. The schools serve catchments within the Wokingham area for children aged 3 to 11. On 1 September 2020, Polehampton CE Infant School and Polehampton CE Junior School converted to academy status and Alder Grove CE Primary School opened as a brand-new free school.

## **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**

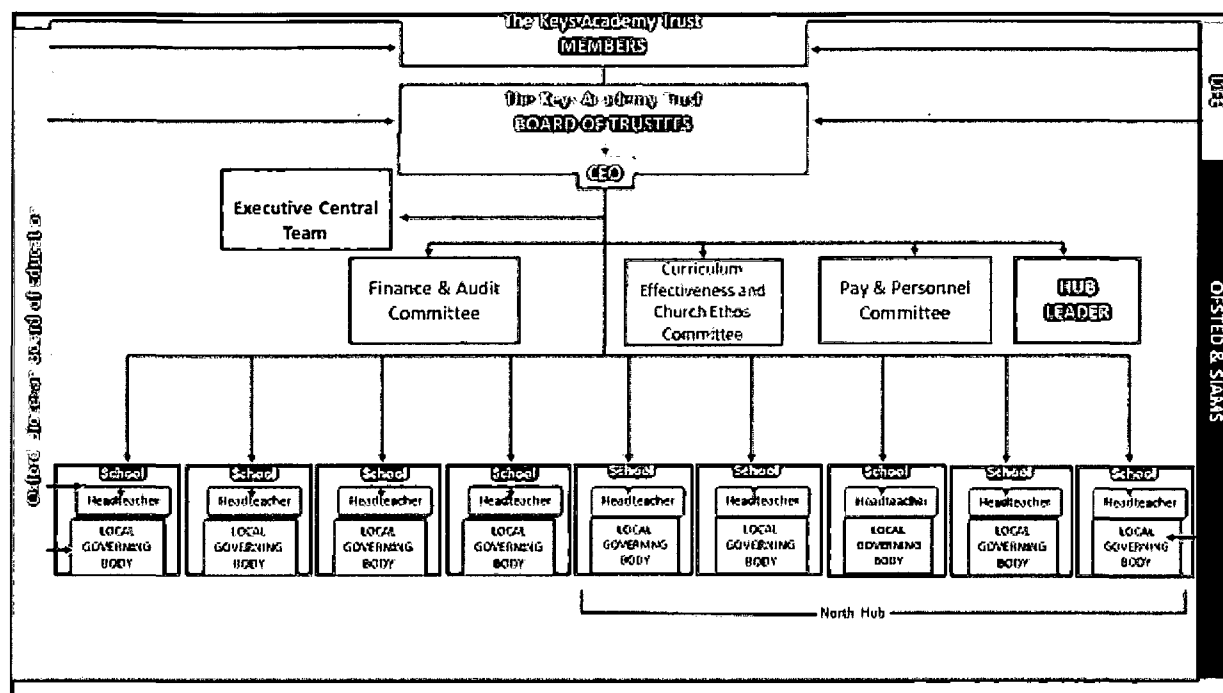
New trustees are provided with an induction pack containing key documentation and will meet with the Chair of the Board. The induction process will then continue with meetings with the CEO, other members of the Leadership Team as appropriate and visits to the schools in the Trust. Trustees are encouraged 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 set 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 April 2019 to 31 March 2020

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: £4,411, 951

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**

The members of the trust are the Oxford Diocesan Board of Education (acting corporately), two persons appointed by the Oxford Diocesan Board of Education, the Revered Pullin and the Chair of Trustees. The Academy Trust purchases certain services from the Oxford Diocesan Board of Education and the details of these transactions are disclosed in note 28 to the financial statements.

There are 3 close family members working in the Trust. M Peters is the son of Jane Peters, a member and board trustee, N Reddie is the wife of Graham Reddie, a board trustee, and E Wooller is the daughter of Hester Wooller, the CEO of the Trust and Headteacher of Earley St Peter's CE Primary School. 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.

#### **Engagement with employees (including disabled persons)**

The trust engages with its staff in a manner of ways. All members of staff receive an End of Term Newsletter which provides employees with information on matters of concern to them. There are weekly Leadership meetings with the CEO, Director of Learning and Headteachers and termly briefings with the Headteachers and Chair of Governors. A trust wide INSET day was held in September 2019. Arrangements are maintained and developed to provide information and consult with employees on matters affecting them.

The trust is committed to providing equal opportunities throughout employment and achieving a diverse workforce that reflects its community. The trust recognises the contribution of every employee and values individual differences and is committed to eliminating discrimination in the workplace.

The trust will ensure that all job applicants, employees (part-time or full-time), contractors and temporary workers are treated equally and is willing to make reasonable adjustments where appropriate for disabled

## **The Keys Academy Trust**

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

---

applicants and employees. The trust seeks to provide an environment that fosters a climate of respect for all employees, contractors and temporary workers where they are free from harassment, bullying, intimidation and victimisation.

## **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.

### **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 schools 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 schools 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 schools with academic and pastoral excellence at the heart of the communities. We have high expectations and, in our schools, 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. The swimming pool at ESP, which is run by members of the school community, are accessed after school, at weekends and during the holidays by members of the local community. ESP also runs a holiday play club which is attended by pupils at ESP but also by pupils from other local schools. The Coombes and St Sebastian's host a variety of clubs including



## The Keys Academy Trust

### Trustees' Report (continued)

Scouts, Cubs, Dance Clubs, and a Holiday Bible Club which are also attended 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 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 Comic Relief, Hope Foundation, Save the Children and an orphanage in Uganda.

## Strategic Report

### Achievements and Performance

The Trust has six 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), Sonning Church of England Primary School (convertor school), St Nicholas Church of England Primary School, Hurst (convertor school) and Crazies Hill Church of England Primary School (convertor school)

School Improvement is driven by a tightly monitored system. There is a monitoring timetable for regular data reports of pupil progress and attainment which are 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 scrutinies 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.

### Headline Data 2019

Key Stage 2							
% of pupils working at the Expected Standard + (inc at Greater Depth)							
	Earley St Peter's	Coombes	St Sebastian's	Crazies Hill	Sonning	St Nicholas	National
Reading	77%	71%	87%	87%	90%	85%	73%
Writing (TA)	90%	73%	91%	87%	93%	95%	78%
Maths	86%	59%	91%	87%	97%	85%	79%
SPaG	91%	55%	91%	100%	90%	90%	78%
Combined	76%	51%	87%	87%	90%	85%	65%
Key Stage 2							
% of pupils working at Greater Depth							
	Earley St Peter's	Coombes	St Sebastian's	Crazies Hill	Sonning	St Nicholas	National
Reading	47%	19%	30%	40%	50%	50%	27%
Writing (TA)	67%	17%	17%	26%	20%	5%	20%
Maths	30%	15%	43%	33%	47%	40%	27%
SPaG	69%	15%	43%	33%	47%	40%	36%
Combined	20%	8%	14%	20%	20%	5%	11%

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

Key Stage 1 % of pupils reaching the Expected Standard and at Greater Depth							
	Earley St Peter's	Coombes	St Sebastian's	Crazies Hill	Sonning	St Nicholas	National
Reading	72%	74%	58%	93%	90%	80%	75%
Writing	70%	72%	50%	93%	80%	75%	70%
Maths	76%	76%	63%	93%	90%	85%	76%
Combined	67%	63%	42%	93%	80%	75%	65%
Key Stage 1 % of pupils reaching Greater Depth							
	Earley St Peter's	Coombes	St Sebastian's	Crazies Hill	Sonning	St Nicholas	National
Reading	18%	21%	8%	26%	31%	25%	25%
Writing	12%	26%	16%	47%	28%	5%	15%
Maths	21%	26%	4%	60%	22%	25%	22%
Combined	10%	13%	4%	40%	27%	5%	11%
Year One Phonics Screen							
	Earley St Peter's	Coombes	St Sebastian's	Crazies Hill	Sonning	St Nicholas	National
	83%	66%	80%	86%	93%	100%	82%
Year Two Cumulative Phonics Screen							
	Earley St Peter's	Coombes	St Sebastian's	Crazies Hill	Sonning	St Nicholas	National
	97%	93%	75%	93%	100%	95%	92%
EYFS: Good Level of Development							
	Earley St Peter's	Coombes	St Sebastian's	Crazies Hill	Sonning	St Nicholas	National
	71%	72%	73%	75%	83%	56%	72%

**Key Stage 2 Outcomes**

Nationally, 65% of pupils achieved the expected standard and above in reading, writing and maths. In the Trust, significantly more pupils in five out of six schools achieved the expected standard and above in reading, writing and maths. In The Coombes, although not above the national figure, approximately half the children achieved the expected standard and above. Attainment had been identified as a cohort specific issue throughout the year.

Nationally, 11% of pupils achieved the greater depth standard in reading, writing and maths. In the Trust, more pupils in four out of six schools achieved greater depth in reading, writing and maths. The number of pupils in The Coombes and St Nicholas were below the national figures.

## The Keys Academy Trust

### Trustees' Report (continued)

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#### Key Stage 1 Outcomes

Nationally, 65% of pupils achieved the expected standard and above in reading, writing and maths. In the Trust, significantly more pupils in four out of six schools achieved the expected standard and above in reading, writing and maths. In St Sebastian's, although not above the national figure, 42% of the children achieved the expected standard and above. Attainment had been identified as a cohort specific issue throughout the year.

#### Phonics Screening Year 1

In four out of six schools a larger percentage of pupils passed the phonics screening test compared to the national figure of 82%.

#### Early Years Foundation Stage

The percentage of pupils in four out of six schools in the Trust achieved a Good Level of Development above or in line with the national percentage of 72%. In St Nicholas over half the pupils achieved a good level of development which was below the national figures.

#### Progress from the end of Key Stage 1 to the end of Key Stage 2

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

Reading

Above average 1.6

Writing

Well above average 2.9

Maths

Average -0.7

##### The Coombes Church of England Primary School

Reading

Average 1.4

Writing

Average 1.6

Maths

Average -1.3

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

Reading

Average 2.5

Writing

Average 1.3

Maths

Above average 2.5

##### Sonning Church of England Primary School

Reading

Average 1.8

Writing

Average 0.7

Maths

Above average 2.4

##### St Nicholas Church of England Primary School

Reading

Average 1.1

Writing

Average -1.6

Maths

Average 0.1

##### Crazies Hill Church of England Primary School

Reading

Average -1.6

Writing

Average -2.2

Maths

Average -1.8

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

**Key Performance Indicators**

FOCUS	KPI	STATUS
Growth Strategy	To ensure the smooth transition of 3 new schools into the Trust	MET
	To carry out the legal work necessary for Polehampton Infant and Junior schools to convert to academy status within the trust	MET
	To ensure staffing, resources, systems and policies are in place for the successful opening of Alder Grove CE Primary School on September 1 <sup>st</sup> 2020	MET
	To be appointed the provider of a second new free school in Wokingham	MET
	To identify other small local trusts/teaching schools and work collaboratively to bring additional capacity to the trust	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	PARTIALLY MET
	EYFS data: all schools to be broadly in line with national GLD figures	MET
HR	To implement Access HR system to standardise procedures within the trust	MET
	To share staff expertise for pupil welfare and SEN in schools across the trust	MET
Governance	To draw up a Scheme of Delegation for Alder Grove CE Primary School (new starter school)	MET
	To appoint an LGB for Alder Grove CE Primary	MET
	To draw up Terms of Reference for the LGB at Alder Grove	MET
	Terms of Reference for all committees – Finance & Audit, Curriculum and Church Ethos, Pay and Personnel	MET
	To hold termly meetings for Chairs and Headteachers	MET
	To offer governance training for all schools within the trust and in the pipeline	MET
	To hold a strategy day for Trustees to develop Growth Strategy	MET
Sponsor school	Director of Learning to lead teaching and learning in The Coombes	MET
	To support budget management and cost control	MET
	To support recruitment of Teaching staff	MET
	To recruit permanent deputy headteacher	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.

## **Financial Review**

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 2020 and the associated expenditure are shown in the Statement of Financial Activities.

Due to the three additional schools in the Trust, the revenue grants have increased from £4,690,073 to £7,247,502. The majority of this income is spent on the wages and salaries and these represent across the trust 77% of total costs.

The total funds before capital, fixed assets and pension reserve have increased over the year from £937,442 to £1,428,821.

The trust also receives grants for fixed assets from the DfE and other organisations and these are shown as Restricted Fixed Assets Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charge on the assets acquired using these funds.

The total restricted fixed asset fund has increased from £621,074 to £712,722. None of the three schools that joined the trust in the year have site controller properties.

The balance sheet includes an amount of £3,572,000 (2019: £2,437,000) for the Defined benefit pension liability that arises on the deficit on the LGPS scheme. This amount has increased due to the three new schools joining the trust this year. Parliament has agreed, at the request of the Secretary of State for Education to a guarantee that, in the event of academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education.

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.

## **Reserves Policy**

The Trust's policy for reserves is that a minimum of 3% 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.
- f) Managing the change in pupil numbers

## **The Keys Academy Trust**

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

---

On 31 August 2020 the Academy held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£
Unrestricted General Funds	680,174
Restricted Capital Funds	185,383
Restricted General Funds	<u>748,647</u>
Reserves at 31 August 2020	<u>1,614,204</u>

These reserves are being held for the management of the impact on funding over the next two years due to declining pupil numbers across two of the schools within the Trust; the urgent and unplanned repairs on premises on several school sites due to the condition of the buildings and for significant planned capital projects across the trust.

#### **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 continues to focus on developing quality first teaching and improving teacher assessment skills using Target Tracker as a tool to drive both the planning and assessment. In addition, the Trust has delivered CPD focussing on curriculum review and design and introduced the use of knowledge organisers in all the schools to support the development of a knowledge led curriculum. The School Improvement team continues to lead moderation sessions for teachers at the end of EYFS, KS1 and KS2 and this year will introduce new protocols to ensure rigour in the process which has switched from face to face to virtual sessions via Microsoft Teams.

The Leadership Conference was well attended with schools from within the Trust, and neighbouring Local Authorities. Tom Rees from Ambition Institute led the session on Leadership and Oliver Caviglioli delivered a session on Dual Coding and it is planned to hold a similar conference for this academic year.

In the academic year 2019/2020, Inset for the development of oracy skills within the classroom based on the model of Voice 21 was introduced by the Director of Learning and this will continue to be built upon within the schools. Each school continues to focus on curriculum review and design in line with the new Ofsted Framework.

## **The Keys Academy Trust**

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

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To build capacity in each school, the development of Subject Leaders continues to be a shared focus in the School Improvement Plans. Subject Leaders across the Trust benefit from collaboration, sharing good practice/resources and curriculum development and the Leadership Programme supports Subject Leaders to develop the skills required in line with the increased expectations in the Ofsted Framework. A methodology to support Deep Dives and Peer Reviews to support School Improvement will be implemented.

The Trust continues to support the delivery of the NQT programme for Wokingham Local Authority and is working in partnership with the Forest Learning Alliance (FLA), a local Teaching School to deliver sessions on curriculum design. This will be further developed in the academic year 2020/21 through the delivery of RSE curriculum sessions for the FLA. The Trust has successfully switched from face to face to remote training during the national lockdown and will build on this approach as it enables a higher level of engagement across the Trust. For the academic year 2020/21, there are two series of Roundtables planned one with a focus on pedagogy and the other with a focus on curriculum.

The Trust continues to organise 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. The Trust was appointed to run the new school in Shinfield, Alder Grove Church of England Primary School, which opened in September 2020. It has also submitted a bid to run another school in Wokingham and was appointed as the provider in July 2020.

#### **Convertor Schools**

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

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

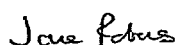
The trust holds no Assets and Funds as Custodian Trustee on behalf of others.

#### **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 4 December 2020 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 eight 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)	7	8
Andrew Barlow	4	4
Rev Hannah Hobday	7	8
David Horrocks	8	8
Rachel Pither	7	8
Graham Reddie	1	1
Jane Williams	7	8
Hester Wooller	8	8

#### **Governance Reviews**

The trustees have carried out a review of governance during the year.

As a result of the changes in trustees during the year, the board have identified the need to appoint trustees with legal and premises experience.

The next self-evaluation review of governance will be carried out at the Trust Strategy Day in January 2021.

#### **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)**

---

#### ***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 review the risk within the Trust
- To produce an annual timetable of the key deliverables

There were 6 finance and audit committee meetings in the year ended 31 August 2020. 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	6	6
Rev Hannah Hobday	6	6
Graham Reddie	0	1
Jane Williams	6	6
Hester Wooller	6	6

#### ***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.
- To hear appeals against dismissal.

## The Keys Academy Trust

### Governance Statement (continued)

- 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 five pay and personnel meetings in the year ended 31 August 2020. Attendance during the year at meetings of the pay and personnel committee was as follows:

Trustee	Meetings Attended	Out of a possible
Graham Reddie	1	1
Andy Barlow	1	3
Rachel Pither	5	5
Jane Peters	3	5
Jane Williams	4	5
Hester Wooler	5	5

### 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 six curriculum effectiveness and church ethos committee meetings in the year ended 31 August 2020. 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	6	6
Andy Barlow	3	4
David Horrocks	6	6
Jane Peters	4	6
Hester Wooler	6	6

## **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. The trust has continued to work closely with the senior leadership management team at the school to improve the financial management at the school during the year. 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 fewer agency staff in place and there has been a significant review of other expenditure.

With six 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 2020 and up to the date of approval of the annual report and financial statements.

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

The board of trustees has reviewed the key risks to which the 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 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

## **The 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 appointed Critchleys LLP as its internal auditor for the year ended 31 August 2020. 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 on 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.

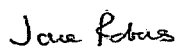
#### **Review of Effectiveness**

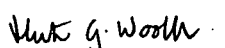
As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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 4 December 2020 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 2020.

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 2020.

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

*Hester Wooller*

**Hester Wooller**  
Accounting Officer

4 December 2020

## 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:

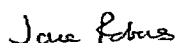
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 4 December 2020 and signed on its behalf by:



**Jane Peters**  
Trustee

**Opinion on financial statements**

We have audited the financial statements of The Keys Academy Trust ('the academy trust') for the year ended 31 August 2020 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 2019 to 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2019 to 2020.

**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 20), 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 December 2020

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 2019 to 2020, 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 year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

#### **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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### **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: 18 December 2020

**The Keys Academy Trust**  
**Statement of Financial Activities**  
**For the year ended 31 August 2020**  
**(including Income and Expenditure Account)**

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019/20	Total 2018/19
	Note	£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and capital grants	2	89,727	-	73,572	163,299	111,844
Transfer from local authority on conversion	3	135,526	(521,414)	58,501	(327,387)	3,003
Charitable activities						
Funding for the academy trust's educational operations	4	-	7,247,502	-	7,247,502	4,690,073
Other income for educational operations	5	309,787	-	-	309,787	317,379
Other trading activities	6	31,348	-	-	31,348	30,755
Investments	7	1,181	-	-	1,181	566
<b>Total</b>		<b>567,569</b>	<b>6,726,088</b>	<b>132,073</b>	<b>7,425,730</b>	<b>5,153,620</b>
<b>Expenditure on:</b>	8					
Charitable activities:						
Academy trust educational operations	9	354,297	7,415,614	29,792	7,799,703	5,147,646
<b>Total</b>		<b>354,297</b>	<b>7,415,614</b>	<b>29,792</b>	<b>7,799,703</b>	<b>5,147,646</b>
<b>Net income / (expenditure) before transfers</b>		<b>213,272</b>	<b>(689,526)</b>	<b>102,281</b>	<b>(373,973)</b>	<b>5,974</b>
<b>Transfers between funds</b>	17	-	10,633	(10,633)	-	-
<b>Net income / (expenditure) for the period</b>		<b>213,272</b>	<b>(678,893)</b>	<b>91,648</b>	<b>(373,973)</b>	<b>5,974</b>
<b>Other recognised gains / (losses):</b>						
Actuarial gains / (losses) on defined benefit pension schemes	17,27	-	(178,000)	-	(178,000)	(488,000)
<b>Net movement in funds</b>		<b>213,272</b>	<b>(856,893)</b>	<b>91,648</b>	<b>(551,973)</b>	<b>(482,026)</b>
<b>Reconciliation of Funds</b>						
<b>Funds brought forward at 1 September</b>		<b>466,902</b>	<b>(1,966,460)</b>	<b>621,074</b>	<b>(878,484)</b>	<b>(396,458)</b>
<b>Funds carried forward at 31 August</b>		<b>680,174</b>	<b>(2,823,353)</b>	<b>712,722</b>	<b>(1,430,457)</b>	<b>(878,484)</b>

All of the Academy's activities derive from continuing operations and acquisitions in the current accounting period.

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 2020**

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

	Notes	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	14		527,339		456,341
<b>Current assets</b>					
Debtors	15	474,913		250,067	
Cash at bank and in hand		<u>1,892,823</u>		<u>1,274,201</u>	
		<u>2,367,736</u>		<u>1,524,268</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	16	<u>(753,532)</u>		<u>(422,093)</u>	
<b>Net current assets</b>			<u>1,614,204</u>		<u>1,102,175</u>
<b>Total assets less current liabilities</b>			<u>2,141,543</u>		<u>1,558,516</u>
<b>Net assets excluding pension liability</b>			<u>2,141,543</u>		<u>1,558,516</u>
Defined benefit pension scheme liability	27		<u>(3,572,000)</u>		<u>(2,437,000)</u>
<b>Total net liabilities</b>			<u>(1,430,457)</u>		<u>(878,484)</u>
<b>Funds of the academy trust:</b>					
Restricted fixed asset funds	17		712,722		621,074
Restricted income fund	17	748,647		470,540	
Pension reserve	17	<u>(3,572,000)</u>		<u>(2,437,000)</u>	
			(2,823,353)		(1,966,460)
<b>Total restricted funds</b>			<u>(2,110,631)</u>		<u>(1,345,386)</u>
<b>Unrestricted income funds</b>	17		680,174		466,902
<b>Total funds</b>			<u>(1,430,457)</u>		<u>(878,484)</u>

The financial statements on pages 26 to 51 were approved by the trustees and authorised for issue on 4th December 2020 and are signed on their behalf by

*Jane Peters*

**Jane Peters**  
Trustee

**The Keys Academy Trust**  
**Statement of Cash Flows**  
**For the year ended 31 August 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	404,671	87,323
<b>Cash flows from investing activities</b>	23	(58,662)	43,929
<b>Cash flows from financing activities</b>	22	-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<u>346,009</u>	<u>131,252</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Cash transferred on conversion to an academy trust	30	272,613	3,004
<b>Cash and cash equivalents at 1 September</b>		1,274,201	1,139,945
<b>Cash and cash equivalents at 31 August</b>	24	<u>1,892,823</u>	<u>1,274,201</u>

All of the cash flows are derived from continuing operations and acquisitions in the current accounting period.

## **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 2019 to 2020 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 lives. 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/reducing balance 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.

### **Pension Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other 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 Wokingham Borough Council and 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### *Critical areas of judgement*

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).

**The Keys Academy Trust**  
**Notes to the financial statements**  
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**2 Donations and capital grants**

	Unrestricted Funds	Restricted Funds	Total 2019/20	Total 2018/19
	£	£	£	£
<b>DfE/ESFA capital grants</b>				
Devolved formula capital grant	-	40,947	40,947	69,765
	-	40,947	40,947	69,765
<b>Other Government grants</b>				
Local authority capital funding	-	23,777	23,777	-
	-	23,777	23,777	-
Other donations	89,727	8,848	98,575	42,079
	89,727	73,572	163,299	111,844

The income from donations and capital grants was £163,299 (2018/19: £111,844) of which £89,727 was unrestricted (2018/19: £13,322), £Nil restricted (2018/19: £15,899) and £73,572 restricted fixed assets (2018/19: £82,623).

**3 Transfer from Local Authority on Conversion**

	Unrestricted Funds	Restricted Funds	Total 2019/20	Total 2018/19
	£	£	£	£
Transfer from Local Authority on Conversion	135,526	(462,913)	(327,387)	3,003
	135,526	(462,913)	(327,387)	3,003

The transfer from local authority on conversion was £-327,387 (2018/19: £3,003) of which £135,526 was unrestricted (2018/19: £3,003), £-521,414 restricted (2018/19: £Nil) and £58,501 restricted fixed assets (2018/19: £Nil).

See Note 30 for further details.

**4 Funding for Academy's educational operations**

	Unrestricted Funds	Restricted Funds	Total 2019/20	Total 2018/19
	£	£	£	£
<b>DfE/ESFA revenue grants</b>				
General Annual Grant (GAG)	-	5,652,403	5,652,403	3,785,294
Other DfE Group grants	-	868,757	868,757	699,130
	-	6,521,160	6,521,160	4,484,424
<b>Other Government grants</b>				
Early Years funding	-	228,867	228,867	148,738
Local authority revenue funding	-	497,475	497,475	56,911
Other grants	-	-	-	-
	-	726,342	726,342	205,649
	-	7,247,502	7,247,502	4,690,073

The funding for the academy's educational operations was £7,247,502 (2018/19: £4,690,073) of which £Nil was unrestricted (2018/19: £Nil), £7,247,502 restricted (2018/19: £4,690,073) and £Nil restricted fixed assets (2018/19: £Nil).

**The Keys Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2020**

**5 Other income for educational operations**

	Unrestricted Funds	Restricted Funds	Total 2019/20	Total 2018/19
	£	£	£	£
Trip and activity income	177,954	-	177,954	101,072
Catering income	3,709	-	3,709	-
Other income	128,124	-	128,124	216,307
	<u>309,787</u>	<u>-</u>	<u>309,787</u>	<u>317,379</u>

The other income for educational operations was £309,787 (2018/19: £317,379) of which £309,787 was unrestricted (2018/19: £317,379), £Nil restricted (2018/19: £Nil) and £Nil restricted fixed assets (2018/19: £Nil).

**6 Other trading activities**

	Unrestricted Funds	Restricted Funds	Total 2019/20	Total 2018/19
	£	£	£	£
Hire of facilities	31,348	-	31,348	30,755
	<u>31,348</u>	<u>-</u>	<u>31,348</u>	<u>30,755</u>

The other trading activities income was £31,348 (2018/19: £30,755) of which £31,348 was unrestricted (2018/19: £30,755), £Nil restricted (2018/19: £Nil) and £Nil restricted fixed assets (2018/19: £Nil).

**7 Investment Income**

	Unrestricted Funds	Restricted Funds	Total 2019/20	Total 2018/19
	£	£	£	£
Short term deposits	1,181	-	1,181	566
	<u>1,181</u>	<u>-</u>	<u>1,181</u>	<u>566</u>

The investment income was £1,181 (2018/19: £566) of which £1,181 was unrestricted (2018/19: £566), £Nil restricted (2018/19: £Nil) and £Nil restricted fixed assets (2018/19: £Nil).

**The Keys Academy Trust**  
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**8 Expenditure**

	Staff Costs	Non Pay Premises Costs	Expenditure Other Costs	Total 2019/20	Total 2018/19
	£	£	£	£	£
<b>Academy's educational operations</b>					
Direct costs (note 9)	5,161,547	-	344,651	5,506,198	3,601,890
Allocated support costs (note 9)	1,071,973	465,055	756,477	2,293,505	1,545,756
	<u>6,233,520</u>	<u>465,055</u>	<u>1,101,128</u>	<u>7,799,703</u>	<u>5,147,646</u>
	<u>6,233,520</u>	<u>465,055</u>	<u>1,101,128</u>	<u>7,799,703</u>	<u>5,147,646</u>

The expenditure on academy's educational operations was £7,799,703 (2018/19: £5,147,646) of which £354,297 was unrestricted (2018/19: £257,953), £7,415,614 restricted (2018/19: £4,860,107) and £29,792 restricted fixed assets (2018/19: £29,586).

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

	2019/20	2018/19
	£	£
Operating lease rentals	11,066	7,684
Depreciation	29,792	29,586
Fees payable to auditor for:		
Audit	13,700	9,700
Other services	<u>7,955</u>	<u>7,500</u>

**9 Charitable activities**

	Total 2019/20	Total 2018/19
	£	£
<b>Direct costs - educational operations</b>	<b>5,506,198</b>	<b>3,601,890</b>
<b>Support costs - educational operations</b>	<b><u>2,293,505</u></b>	<b><u>1,545,756</u></b>
	<b><u>7,799,703</u></b>	<b><u>5,147,646</u></b>

**Analysis of support costs**

	Educational operations	Total 2019/20	Total 2018/19
	£	£	£
Support staff costs	714,973	714,973	519,149
Depreciation	29,792	29,792	29,586
Technology costs	145,754	145,754	89,270
Premises costs	465,055	465,055	323,094
Other support costs	565,051	565,051	347,877
Governance costs	15,880	15,880	9,780
Other pension costs	347,000	347,000	231,000
Other finance costs (FRS102 pension)	10,000	10,000	(4,000)
	<u>2,293,505</u>	<u>2,293,505</u>	<u>1,545,756</u>

## 10 Staff

### a. Staff costs

Staff costs during the period were:

	2019/20	2018/19
	£	£
Wages and salaries	4,411,951	2,989,693
Social security costs	354,647	239,348
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	916,666	469,553
FRS102 Other pension and finance costs	357,000	227,000
Apprenticeship levy	7,125	-
	<u>6,047,389</u>	<u>3,925,594</u>
Agency staff costs	186,131	166,144
	<u>6,233,520</u>	<u>4,091,738</u>

### b. Staff numbers

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

	2019/20	2018/19
	No.	No.
Teachers	87	59
Leadership	15	6
Administration and support	150	110
	<u>252</u>	<u>175</u>

The average number of persons (including senior leadership team) employed by the academy trust during the period expressed as full time equivalents was as follows:

	2019/20	2018/19
	No.	No.
Teachers	60	38
Leadership	11	6
Administration and support	72	48
	<u>143</u>	<u>92</u>

### c. Higher paid staff

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

	2019/20	2018/19
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

### d. Key management personnel

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 £259,389 (2018/19: £232,552).

## **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 academy trust charges for these services on the following basis:

4% - 5% of GAG income

The actual amounts charged during the period were as follows:

	2019/20	2018/19
	£	£
The Coombes C of E Primary School	72,084	70,203
Earley St Peter's C of E Primary School	85,141	84,514
St Sebastian's C of E Primary School	33,959	34,548
Sonning C of E Primary School	32,149	-
Crazies Hill C of E Primary School	18,066	-
St Nicholas C of E Primary School	22,998	-
	<u>264,397</u>	<u>189,265</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.

	2019/20	2018/19
	£	£
H Wooller, CEO and Headteacher Earley St Peter's		
Remuneration	£90k - £95k	£80k - £85k
Employer's pension contributions paid	£20k - £25k	£10k - £15k

During the year ended 31 August 2020, travel and subsistence expenses totalling £188 were reimbursed or paid directly to 1 trustee (2018/19: £398 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 membership.

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



**The Keys Academy Trust**  
**Notes to the financial statements**  
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**14 Tangible fixed assets**

	Leasehold Buildings £	Furniture and Equipment £	Computer Equipment £	2019/20 Total £
<b>Cost</b>				
As at 1 September 2019	447,222	32,132	33,515	<b>512,869</b>
Additions	19,846	43,107	37,837	<b>100,790</b>
As at 31 August 2020	<b>467,068</b>	<b>75,239</b>	<b>71,352</b>	<b>613,659</b>
<b>Depreciation</b>				
As at 1 September 2019	17,888	30,077	8,563	<b>56,528</b>
Charged in year	9,076	1,511	19,205	<b>29,792</b>
As at 31 August 2020	<b>26,964</b>	<b>31,588</b>	<b>27,768</b>	<b>86,320</b>
<b>Net book values</b>				
As at 31 August 2020	<b>440,104</b>	<b>43,651</b>	<b>43,584</b>	<b>527,339</b>
As at 1 September 2019	<b>429,334</b>	<b>2,055</b>	<b>24,952</b>	<b>456,341</b>

**Transfers on conversion during the year ended 31 August 2020**

The academy trust entered into a Supplemental Agreement with Church land trustees for the use of land and buildings at Sonning C of E Primary School, Crazies Hill C of E Primary School and St Nicholas 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.

**15 Debtors**

	2019/20 £	2018/19 £
Trade debtors	222,691	4,076
VAT recoverable	61,842	129,864
Prepayments and accrued income	188,628	116,127
Other debtors	1,752	-
	<b>474,913</b>	<b>250,067</b>

**16 Creditors: amounts falling due within one year**

	2019/20 £	2018/19 £
Trade creditors	163,886	97,392
Other taxation and social security	83,597	56,557
Other creditors	107,468	58,488
Accruals and deferred income	398,581	209,656
	<b>753,532</b>	<b>422,093</b>

**Deferred income**

	2019/20 £	2018/19 £
Deferred income at 1 September	150,144	97,889
Released from previous years	(150,144)	(97,889)
Resources deferred in the period	249,694	150,144
Deferred income at 31 August	<b>249,694</b>	<b>150,144</b>

At the balance sheet date the academy trust was holding funding received specifically for the next financial year totalling £207,985, together with lettings, trips, activities and other income received in advance totalling £41,709.

**The Keys Academy Trust**  
**Notes to the financial statements**  
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**17 Funds**

	Balance at 1 Sept 2019 £	Income £	Expenditure £	Gains, losses and transfer £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	307,953	5,652,403	(5,426,093)	10,633	<b>544,896</b>
Pupil Premium funding	5,000	221,019	(221,019)	-	<b>5,000</b>
Other DfE funding	157,587	647,738	(747,414)	-	<b>57,911</b>
Local authority revenue funding	-	497,475	(356,635)	-	<b>140,840</b>
Early Years funding	-	228,867	(228,867)	-	<b>-</b>
Revenue transferred on conversion	-	78,586	(78,586)	-	<b>-</b>
Pension reserve (note 27)	(2,437,000)	(600,000)	(357,000)	(178,000)	<b>(3,572,000)</b>
	<b>(1,966,460)</b>	<b>6,726,088</b>	<b>(7,415,614)</b>	<b>(167,367)</b>	<b>(2,823,353)</b>
<b>Restricted fixed asset funds</b>					
Devolved Formula Capital	94,574	40,947	-	(45,495)	<b>90,026</b>
Capital transferred on conversion	54,152	58,501	-	(35,006)	<b>77,647</b>
Local authority capital funding	-	23,777	-	(22,074)	<b>1,703</b>
Capital donations	16,007	8,848	-	(8,848)	<b>16,007</b>
Fixed asset fund (note 14)	456,341	-	(29,792)	100,790	<b>527,339</b>
	<b>621,074</b>	<b>132,073</b>	<b>(29,792)</b>	<b>(10,633)</b>	<b>712,722</b>
<b>Total restricted funds</b>	<b>(1,345,386)</b>	<b>6,858,161</b>	<b>(7,445,406)</b>	<b>(178,000)</b>	<b>(2,110,631)</b>
<b>Unrestricted funds</b>					
Unrestricted funds	466,902	567,569	(354,297)	-	<b>680,174</b>
<b>Total unrestricted funds</b>	<b>466,902</b>	<b>567,569</b>	<b>(354,297)</b>	<b>-</b>	<b>680,174</b>
<b>Total funds</b>	<b>(878,484)</b>	<b>7,425,730</b>	<b>(7,799,703)</b>	<b>(178,000)</b>	<b>(1,430,457)</b>

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 2020.

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.

Early Years Funding is provided by a local authority to facilitate provision of placements for 3 and 4 year olds.

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 and Sport Premium grant.

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

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.

## 17 Funds (continued)

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.

Local Authority Capital Funding includes various grant funding provided by Local Authorities.

Capital funds transferred on conversion constitute balances remaining on funds held by the academy trust for capital purposes from the point of conversion.

Restricted Fixed Asset Funds, Other grants and donations represent amounts given to the academy trust for specific capital purposes.

The Fixed Asset fund recognises the net book value of tangible and 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.

### Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
The Coombes C of E Primary School	356,377	267,133
Earley St Peter's C of E Primary School	450,027	450,955
St Sebastian's C of E Primary School	81,160	52,638
Sonning C of E Primary School	37,341	-
Crazies C of E Primary School	122,941	-
St Nicholas C of E Primary School	54,873	-
Central Services	326,102	166,716
<b>Total before capital, fixed assets and pension reserve</b>	<b>1,428,821</b>	<b>937,442</b>
Capital reserves	185,383	164,733
Fixed asset fund (representing net book value of fixed assets - note 14)	527,339	456,341
Pension reserve	(3,572,000)	(2,437,000)
<b>Total funds</b>	<b>(1,430,457)</b>	<b>(878,484)</b>

### Total cost analysis by academy

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

					2019/20	2018/19
	Teaching and educational support staff costs	Other support staff costs	Educational supplies (including all non staff direct costs)	Other costs (excluding depreciation)	Total	Total
	£	£	£	£	£	£
The Coombes C of E	1,215,786	160,909	103,857	294,172	1,774,724	1,729,326
Earley St Peter's C of E	1,695,448	178,743	93,076	224,012	2,191,279	2,107,687
St Sebastian's C of E	581,915	60,106	60,985	83,377	786,383	744,273
Sonning C of E	659,132	110,864	52,755	100,055	922,806	-
Crazies Hill C of E	378,045	53,148	33,042	78,660	542,895	-
St Nicholas C of E	519,065	50,291	38,208	84,785	692,349	-
Central	112,156	100,912	27,099	262,308	502,475	309,774
	<b>5,161,547</b>	<b>714,973</b>	<b>409,022</b>	<b>1,127,369</b>	<b>7,412,911</b>	<b>4,891,060</b>
				Depreciation	<b>29,792</b>	<b>29,586</b>
				Other finance costs and pension costs	<b>357,000</b>	<b>227,000</b>
				<b>Note 8</b>	<b>7,799,703</b>	<b>5,147,646</b>

17 Funds (continued)

Comparative Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfer £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	380,707	3,785,294	(3,844,504)	(13,544)	307,953
Pupil Premium funding	5,000	182,769	(182,769)	-	5,000
Other DfE funding	13,175	516,361	(371,949)	-	157,587
Local authority revenue funding	-	56,911	(56,911)	-	-
Early Years funding	-	148,738	(148,738)	-	-
Other restricted funds	12,337	15,899	(28,236)	-	-
Pension reserve (note 27)	(1,722,000)	-	(227,000)	(488,000)	(2,437,000)
	<u>(1,310,781)</u>	<u>4,705,972</u>	<u>(4,860,107)</u>	<u>(501,544)</u>	<u>(1,966,460)</u>
<b>Restricted fixed asset funds</b>					
Devolved Formula Capital	24,809	69,765	-	-	94,574
Capital transferred on conversion	54,152	-	-	-	54,152
Capital donations	16,007	12,858	-	(12,858)	16,007
Fixed asset fund (note 14)	459,525	-	(29,586)	26,402	456,341
	<u>554,493</u>	<u>82,623</u>	<u>(29,586)</u>	<u>13,544</u>	<u>621,074</u>
<b>Total restricted funds</b>	<u><u>(756,288)</u></u>	<u><u>4,788,595</u></u>	<u><u>(4,889,693)</u></u>	<u><u>(488,000)</u></u>	<u><u>(1,345,386)</u></u>
<b>Unrestricted funds</b>					
Unrestricted funds	359,830	365,025	(257,953)	-	466,902
<b>Total unrestricted funds</b>	<u><u>359,830</u></u>	<u><u>365,025</u></u>	<u><u>(257,953)</u></u>	<u><u>-</u></u>	<u><u>466,902</u></u>
<b>Total funds</b>	<u><u>(396,458)</u></u>	<u><u>5,153,620</u></u>	<u><u>(5,147,646)</u></u>	<u><u>(488,000)</u></u>	<u><u>(878,484)</u></u>

## 18 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	527,339	527,339
Current assets	680,174	1,502,179	185,383	2,367,736
Current liabilities	-	(753,532)	-	(753,532)
Pension Scheme liability	-	(3,572,000)	-	(3,572,000)
<b>Total net assets</b>	<b>680,174</b>	<b>(2,823,353)</b>	<b>712,722</b>	<b>(1,430,457)</b>

## Comparative analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	456,341	456,341
Current assets	466,902	892,633	164,733	1,524,268
Current liabilities	-	(422,093)	-	(422,093)
Pension Scheme liability	-	(2,437,000)	-	(2,437,000)
<b>Total net assets</b>	<b>466,902</b>	<b>(1,966,460)</b>	<b>621,074</b>	<b>(878,484)</b>

## 19 Capital commitments

	2019/20 £	2018/19 £
Contracted for, but not provided in the financial statements	-	-

## 20 Commitments under operating leases

### Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019/20 £	2018/19 £
Amounts due within one year	4,193	5,630
Amounts due between one and five years	1,124	2,514
	<b>5,317</b>	<b>8,144</b>

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

	2019/20	2018/19
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(373,973)	5,974
Adjusted for:		
Cash transferred on conversion	(272,613)	(3,004)
Depreciation (note 14)	29,792	29,586
Capital grants from DfE and other capital income	(40,947)	(69,765)
Interest receivable (note 7)	(1,181)	(566)
Defined benefit pension scheme obligation inherited	600,000	-
Defined benefit pension scheme cost less contributions payable (note 27)	347,000	231,000
Defined benefit pension scheme finance cost (note 27)	10,000	(4,000)
(Increase)/decrease in debtors	(224,846)	(102,697)
Increase/(decrease) in creditors	331,439	795
<b>Net cash provided by operating activities</b>	<b>404,671</b>	<b>87,323</b>

## 22 Cash flows from financing activities

	2019/20	2018/19
	£	£
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

	2019/20	2018/19
	£	£
Dividends, interest and rents from investments	1,181	566
Purchase of tangible fixed assets	(100,790)	(26,402)
Capital grants from DfE Group	40,947	69,765
<b>Net cash (used in)/provided by investing activities</b>	<b>(58,662)</b>	<b>43,929</b>

## 24 Analysis of cash and cash equivalents

	At 1 Sept 2019	Transfer on conversion	Cash flows	At 31 August 2020
	£	£	£	£
Cash at bank and in hand	1,274,201	272,613	346,009	1,892,823
Notice deposits (less than 12 months)	-	-	-	-
<b>Total cash and cash equivalents</b>	<b>1,274,201</b>	<b>272,613</b>	<b>346,009</b>	<b>1,892,823</b>

## 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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £105,993 were payable to the schemes at 31 August 2020 (2019: £56,936) and are included within creditors.

### **Teachers' Pension Scheme**

#### **Introduction**

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

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

#### **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 - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

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

#### **Valuation of the Teachers' Pension Scheme**

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

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

## **27 Pension and similar obligations (continued)**

### **Teachers' Pension Scheme (continued)**

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

The pension costs paid to TPS in the period amounted to £653,827 (2019: £293,516).

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

### **Scheme Changes**

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

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

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

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

### **Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £330,000 (2019: £225,000), of which employer's contributions totalled £256,000 (2019: £176,000) and employees' contributions totalled £74,000 (2019: £49,000). The agreed contribution rates for future years are 19.6% for employers and an average of 6.5% for employees.

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

### **Principal actuarial assumptions**

	<b>At 31 August 2020</b>	<b>At 31 August 2019</b>
Rate of increase in salaries	3.25%	3.65%
Rate of increase for pensions in payment / inflation	2.25%	2.15%
Discount rate for scheme liabilities	1.60%	1.90%
Inflation assumption (CPI)	0.50%	1.70%
Commutation of pensions to lump sums	50.00%	50.00%



## 27 Pension and similar obligations (continued)

### Local Government Pension Scheme (continued)

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 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.5	22.1
Females	24.1	24.0
<i>Retiring in 20 yrs</i>		
Males	22.9	23.7
Females	25.5	25.8

### Sensitivity Analysis - Effect on Scheme Liabilities

	At 31 August 2020 £	At 31 August 2019 £
<b>Present value of total obligation</b>		
Discount rate +0.1%	5,437,000	3,883,000
Discount rate -0.1%	5,723,000	4,113,000
Mortality assumption - 1 year increase	5,784,000	4,132,000
Mortality assumption - 1 year decrease	5,379,000	3,864,000
CPI rate +0.1%	N/A	N/A
CPI rate -0.1%	N/A	N/A

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

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equities	1,172,000	869,000
Other bonds	263,000	226,000
Property	285,000	197,000
Cash	190,000	122,000
Target return portfolio	61,000	74,000
Commodities	7,000	10,000
Infrastructure	147,000	152,000
Longevity insurance	(119,000)	(91,000)
<b>Total market value of assets</b>	<b>2,006,000</b>	<b>1,559,000</b>
Present value of scheme liabilities		
- Funded	(5,578,000)	(3,996,000)
<b>Surplus/(deficit) in the scheme</b>	<b>(3,572,000)</b>	<b>(2,437,000)</b>

The actual return on scheme assets was £85,000.

**The Keys Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2020**

**27 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

**Amounts recognised in the statement of financial activities**

	2019/20	2018/19
	£	£
Current service cost	1,203,000	361,000
Past service cost	-	46,000
Net interest on the defined liability (asset)	55,000	44,000
Administration expenses	1,000	1,000
Total amount recognised in the SOFA	<u>1,259,000</u>	<u>452,000</u>

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

	2019/20	2018/19
	£	£
<b>At 1 September</b>	<b>3,996,000</b>	<b>3,005,000</b>
Conversion of academy trusts	945,000	-
Current service cost	603,000	361,000
Interest cost	94,000	81,000
Employee contributions	74,000	49,000
Actuarial (gain)/loss - financial assumption	526,000	672,000
Actuarial (gain)/loss - demographic assumption	(110,000)	(184,000)
Actuarial (gain)/loss - experience gains/losses	(467,000)	-
Estimated benefits paid net of transfers in	(83,000)	(34,000)
Past Service costs, including curtailments	-	46,000
<b>At 31 August</b>	<b><u>5,578,000</u></b>	<b><u>3,996,000</u></b>

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

	2019/20	2018/19
	£	£
<b>At 1 September</b>	<b>1,559,000</b>	<b>1,283,000</b>
Conversion of academy trusts	345,000	-
Interest income	39,000	37,000
Return on plan assets (excluding net interest on the net defined pension liability)	46,000	49,000
Other actuarial gains/(losses)	(229,000)	-
Administration expenses	(1,000)	(1,000)
Employer contributions	256,000	176,000
Employee contributions	74,000	49,000
Estimated benefits paid plus unfunded net of transfers in	(83,000)	(34,000)
<b>At 31 August</b>	<b><u>2,006,000</u></b>	<b><u>1,559,000</u></b>

**Reconciliation of opening and closing deficit**

	2019/20		2018/19	
	£	£	£	£
<b>Pension deficit at 1 September</b>		<b>(2,437,000)</b>		<b>(1,722,000)</b>
Current service cost	(603,000)		(361,000)	
Past service cost	-		(46,000)	
Employer contributions	<u>256,000</u>		<u>176,000</u>	
Additional pension cost		(347,000)		(231,000)
Other finance (gains) / costs		(10,000)		4,000
Deficit transferred on conversion		(600,000)		-
Actuarial gains/(losses)		(178,000)		(488,000)
<b>Pension deficit at 31 August</b>		<b><u>(3,572,000)</u></b>		<b><u>(2,437,000)</u></b>

## **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, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval when required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the financial period.

### Expenditure 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 £10,961 (2019: £11,436). She did not receive any employer pension contribution (2019: Nil).

N Reddie's appointment was made in open competition and G Reddie was not involved in the decision-making process regarding appointment. N Reddie is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

E Wooller (daughter of H Wooller, CEO, Headteacher of Earley St Peter's and Trustee) received remuneration during the year, for her work as playworker, of £576 (2019: £1,025). She did not receive any employer pension contributions (2019: Nil).

E Wooller's appointment was made in open competition and H Wooller was not involved in the decision-making process regarding appointment. E Wooller is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to the CEO.

M Peters (son of J Peters, a member and Trustee) received remuneration of £414 during the year for his work as a casual playworker (2019: £1,771). He did not receive any employer pension contributions (2019: Nil).

M Peters' appointment was made in open competition and J Peters was not involved in the decision-making process regarding appointment. M Peters is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee.

### Connected charity transactions

The Oxford Diocesan Board of Education (ODBE) is a member of The Keys Academy Trust. During the year ended 31 August 2020, the Trust paid £10,222 (2019: £8,256) for support services from ODBE.

## **29 Events after the balance sheet date**

On 1 September 2020, Polehampton CE Junior School and Polehampton CE Infant School converted to academy status and joined the Trust. On 1 September 2020, the Trust opened a new free school Alder Grove CE Primary School in Shinfield, Wokingham.

On 1 September 2020, the Sonning CE Out of School Club was transferred to Sonning CE Primary School.

### 30 Conversions to an Academy Trust

On 1 September 2019 Sonning 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 September 2019 Crazies Hill 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 September 2019 St Nicholas 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 tables set 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>Sonning Primary School</b>				
Tangible fixed assets:				
Leasehold buildings	-	-	-	-
Other tangible fixed assets	-	-	-	-
Current assets				
Budget surplus on LA funds	-	31,868	25,269	57,137
Budget surplus on other school funds	9,664	-	-	9,664
	<u>9,664</u>	<u>31,868</u>	<u>25,269</u>	<u>66,801</u>
Current liabilities	-	-	-	-
Non-current liabilities				
LGPS pension deficit	-	(257,000)	-	(257,000)
Net liabilities	<u>9,664</u>	<u>(225,132)</u>	<u>25,269</u>	<u>(190,199)</u>

The above net assets include £66,801 that was transferred as cash at bank.

<b>Crazies Hill Primary School</b>				
Tangible fixed assets:				
Leasehold buildings	-	-	-	-
Other tangible fixed assets	-	-	-	-
Current assets				
Budget surplus on LA funds	-	16,774	15,652	32,426
Budget surplus on other school funds	100,032	-	-	100,032
	<u>100,032</u>	<u>16,774</u>	<u>15,652</u>	<u>132,458</u>
Current liabilities	-	-	-	-
Non-current liabilities				
LGPS pension deficit	-	(147,000)	-	(147,000)
Net liabilities	<u>100,032</u>	<u>(130,226)</u>	<u>15,652</u>	<u>(14,542)</u>

The above net assets include £132,458 that was transferred as cash at bank.

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

**Tangible fixed assets:**

The above net assets include £73.354 that was transferred as cash at bank.

The above net assets include £272,613 that was transferred as cash at bank.