

**Company Registration No. 10818575 (England and Wales)**

**THE KEYS ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2021**



# **THE KEYS ACADEMY TRUST**

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# THE KEYS ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

represented by Tony Wilson, Director

Rev Liz Jackson (appointed 13 March 2021)  
Gordon Joyner  
Oxford Diocesan Board of Education  
Jane Peters  
Rev Stephen Pullin (resigned 12 March 2021)

### Trustees

Rev Hannah Hobday  
David Horrocks (Vice Chairperson)  
Michael Mill (Appointed 12 March 2021)  
Jane Peters (Chairperson)  
Rachel Pither  
Penelope Jane Williams  
Hester Wooller (Accounting Officer)

### Senior management team

Chief Executive Officer and Accounting Officer

Hester Wooller

Chief Finance Officer

Julia Mead

Director of Learning

Alex Powley

### Clerk

Jodie Page

### Company registration number

10818575 (England and Wales)

### Principal and registered office

PO Box 3168  
Church Road  
Earley  
Reading  
Berkshire  
RG6 9TR

### Academies operated

The Coombes CE School  
Earley St Peter's CE School  
St Sebastian's CE Primary School  
Sonning CE Primary School  
Crazies Hill CE Primary School  
St Nicholas CE Primary School  
Alder Grove CE Primary School  
Polehampton CE Junior School  
Polehampton CE Infant School

### Location

Reading  
Reading  
Wokingham  
Reading  
Reading  
Hurst  
Reading  
Twyford  
Twyford

### Head

Aly Atkins  
Hester Wooller  
Martin Gater  
Luke Henderson  
Philippa Chan  
Debra McGrail  
Hester Wooller  
Helen Ball  
Helen Ball

### Independent auditor

Critchleys Audit LLP  
Beaver House  
23-38 Hythe Bridge Street  
Oxford  
OX1 2EP

# THE KEYS ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **Bankers**

Lloyds Bank plc  
35 Broad Street  
Reading  
Berkshire  
RG1 2BT

### **Solicitors**

Lee Bolton Monier-Williams LLP  
1 The Sanctuary  
Westminster  
London  
SW1P 3JT

# THE KEYS ACADEMY TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2021

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. 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 2021, there are nine primary schools operating within the trust, with a combined capacity of 2,102 pupils and 1,892 pupils on roll as at October 2020 Census. The schools serve catchments within the Wokingham area for children aged 3 to 11.

#### 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 charitable company operates as The Keys Academy Trust. It is also known as The Keys or TKAT.

The trustees of The Keys Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

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 3 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.

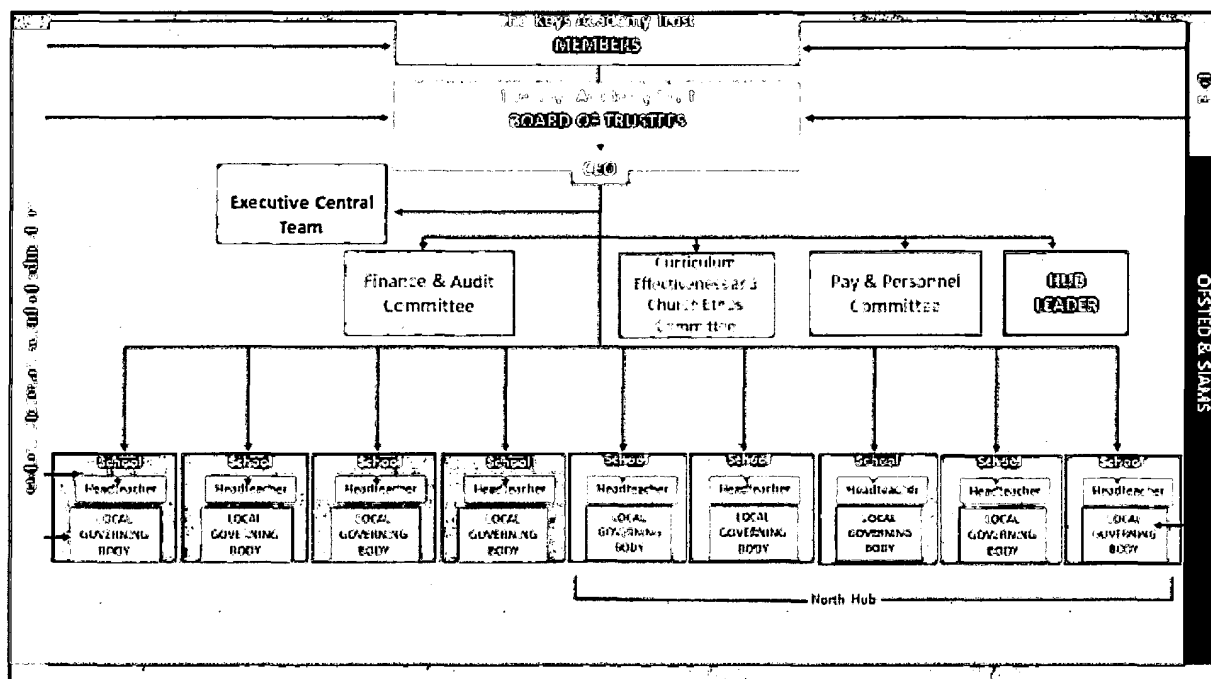
# THE KEYS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 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)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Trade union facility time

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

#### *Percentage of time spent on facility time*

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

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

Total cost of facility time

-

Total pay bill

£6,187,761

Percentage of the total pay bill spent on facility time

-

#### *Paid trade union activities*

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

-

### Engagement with employees

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. Arrangements are maintained and developed to provide information and to 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 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.

### 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 Reverend Pullin (resigned 12 March 2021), Reverend Liz Jackson (appointed 13 March 2021) 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 no close family members working in the Trust. For further details of related parties and transactions during the year, see notes 11 and 23 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.

# THE KEYS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **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:

- 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
- 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 family of distinctive schools at the heart of the diverse communities we serve. We aspire to excellent learning and pastoral care for pupils and staff. In line with our Christian ethos, we are committed to being open and welcoming to all. Our family will include converter 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 which aspire to excellent learning and pastoral care for pupils and staff. 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, is 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 schools in the Trust host a variety of clubs including 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, Save the Children and an orphanage in Uganda.



# THE KEYS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### Strategic report

#### Achievements and performance

The Trust has nine 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), Crazies Hill Church of England Primary School (convertor school), Polehampton Church of England Infant School (convertor school), Polehampton Church of England Junior School (convertor school) and Alder Grove Church of England Primary School (new free 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 Peter's	St 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 Peter's	St 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)

FOR THE YEAR ENDED 31 AUGUST 2021

Key Stage 1 % of pupils reaching the Expected Standard and at Greater Depth							
	Earley Peter's	St 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 Peter's	St 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 Peter's	St Coombes	St Sebastian's	Crazies Hill	Sonning	St Nicholas	National
	83%	66%	80%	86%	93%	100%	82%
Year Two Cumulative Phonics Screen							
	Earley Peter's	St Coombes	St Sebastian's	Crazies Hill	Sonning	St Nicholas	National
	97%	93%	75%	93%	100%	95%	92%
EYFS: Good Level of Development							
	Earley Peter's	St 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)

FOR THE YEAR ENDED 31 AUGUST 2021

### 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

### Impact of Covid-19

All our schools were responsive in the provision of remote learning during the pandemic and national lockdowns. Our schools sought innovative ways to work in partnership with parents and pupils to develop a whole new approach to learning online whilst supporting vulnerable pupils and the pupils of key workers in school. There has been an impact on progress and attainment of our pupils across the Trust and we have seen that remote learning worked better for some groups of pupils and for some subjects. In terms of reading, writing and maths, better progress was made in reading and maths and writing continues to be a focus across our schools. The widening of the attainment gap between pupil premium and non-pupil premium pupils reflected in national and local figures is also seen across the Trust.

# THE KEYS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### Key performance indicators

FOCUS	KPI	STATUS
Growth Strategy	To ensure the smooth transition of two converter schools into the Trust and establish a new free primary school, Alder Grove CE Primary School that is at the heart of its community	MET
	To set up a website and carry out a consultation with local stakeholders to secure agreement for The Keys Academy Trust to enter a funding agreement with the Secretary of State for Education and manage the school at Matthewsgreen	PARTIALLY MET
	To work with local stakeholders, WBC and DfE to develop an admissions policy so that the Matthewsgreen school may be part of WBC's coordinated round of Admissions for September 2022	MET
	To work with the Construction Company Reds10 and WBC to ensure the Matthewsgreen school building will be ready for handover on 1st April 2022	PARTIALLY MET (due to be handed over to WBC at the end of November 2021)
	To set up regular network meetings with Senior Leaders and the Director of Learning/CEO to have a direct influence on their leadership skills/practice and a greater opportunity to talent spot future leaders	MET
	To identify and work with schools to create a pipeline	PARTIALLY MET
School Performance	KS2 DATA 2019: 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
	To run a series of Roundtable Meetings led by the Director of Learning for all schools to support Curriculum Design and Pedagogy	MET
	To set up regular network meetings with SENDCos and the Director of Learning/CEO to enable the Trust to better support pupils with SEND by sharing expertise	MET
	To introduce an online process for rigorous moderation across the Trust	MET
HR	To induct the three new schools in using the Access People system to standardise procedures within the trust	MET
	To advise LGBs on models of leadership, produce financial models and develop the role of Executive Leaders within the Trust	MET

# THE KEYS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

Governance	To expand the number of Trustees within the Trust to build capacity and appropriate skillsets	MET
	To review a skills audit submitted by the Local Governing Body's and follow up any issues	MET
	To hold termly briefings 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 increase the number on roll at Census day, October 2021	MET
	To support budget management and cost control	MET
	To support recruitment of Teaching staff	PARTIALLY MET
	To reduce the PAN at The Coombes from 75 to 60 to help manage the pupil turnover	MET

The Trust reviews financial Key Performance Indicators on a termly basis across the schools, including Total Staff Costs to ESFA Revenue Income, Total Staff Costs to Total Income, Total Staff Costs as a Proportion of Total Expense, Pupil Teacher Ratio at school and Key Stage level, Proportion of budget spent on Leadership Team, Proportion of budget spent on SLT and Spend per pupil for non-pay expenditure lines.

### 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, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

# THE KEYS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 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 2021 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 £7,247,502 to £9,845,845. The majority of this income is spent on wages and salaries and these represent across the trust 80% of total costs.

The total funds before capital, fixed assets and pension reserve have increased over the year from £1,428,821 to £1,811,954. This increase in revenue funds is due to the impact of the Covid 19 pandemic where expenditure on premises could not be scheduled, catering costs were lower than budgeted, and staffing vacancies were not filled in the lockdown period in early 2021. In addition, a cautious budget had been set for extended services income for the year across the schools and attendance in these clubs returned to higher levels than anticipated and schools were able to access the furlough scheme for extended services staff. The amount of donations were also much higher than budgeted and the schools were able to purchase educational materials with these funds.

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 £712,722 to £13,657,866 due to the addition of Alder Grove Primary School.

The balance sheet includes an amount of £6,139,000 (2020: £3,572,000) 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:

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

# THE KEYS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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On 31 August 2021 the Academy held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£
Unrestricted General Funds	740,820
Restricted Capital Funds	241,187
Restricted General Funds	<u>1,071,134</u>
Reserves at 31 August 2021	<u>2,053,141</u>

These reserves are being held for the management of the impact on funding due to declining pupil numbers over the next two years 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.

#### 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.

# THE KEYS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 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 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.

In the academic year 2020/2021, the Trust introduced a model for online moderation across all the schools using Microsoft Office 365. A working party of teachers across the Trust developed a set of protocols and the rigorous process was received very favourably by teachers from all the schools. The Trust will continue to build on this model and expand it to include moderation in writing for all year groups in Key Stage 1 and 2.

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 continue to be implemented.

The Trust continues to work in partnership with the Forest Learning Alliance (FLA), a local Teaching School to deliver sessions on curriculum design. The Trust has been asked to deliver further sessions and will be running a programme Intelligent Subject Leadership in 2021/22 which will be accessed by schools in Bracknell Forest and Wokingham LA. The Trust continues to develop its online CPD offer through Roundtables led by our Director of Learning 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.

In 2021, the Trust set up regular network meetings for SENDCos across the Trust to support the provision for pupils. This will continue in 2021/22 and we plan to rationalise the SEN processes and documentation across the Trust and introduce Speech and Language resource which has been identified as a need in all our schools post pandemic.

Network meetings for Deputy and Assistant Headteachers were also introduced in 2021 led by the CEO and Director of Teaching and Learning which embed the Trust values and develop positive working relationships. These will also continue as they are a positive mechanism to drive school improvement across the Trust.

##### Early Career Framework

The Keys is working with Teaching School Hub Berkshire to deliver the University College London's (UCL) Early Career Teachers (ECT) programme. This is a combination of online and face to face sessions. The Trust has two cohorts one with Wokingham ECTs and one with Reading ECTs and our Director of Learning is the lead facilitator. Headteachers within the Trust have nominated middle leaders to co-facilitate on this programme.

##### National Professional Qualifications (NPQs)

The Keys will also be a Delivery Partner with Church of England's Foundation for Educational Leadership (CEFEL) to deliver the new NPQ suite of training. This CPD will begin to be delivered from March 2022. The Director of Learning will be lead facilitator for the NPQLTD and the CEO will be facilitating the NPQH. We have also identified Senior Leaders in our schools to be trained as coaches for the programme.

##### New Schools

Our first new school, Alder Grove Church of England Primary School opened in September 2020 and has established itself successfully in the heart of the Shinfield Meadows community. It opened with 30 Reception pupils and a nursery. Due to demand, the school expanded to 60 Reception places in September 2021.

We submitted an application for a new primary school in Wokingham as part of our Growth Strategy Plan. The Trust was appointed to run the new school in Matthewsgreen, St Cecilia's Church of England Primary School, which is scheduled to open in September 2022.



# THE KEYS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **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**

In so far 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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 03.12.21 and signed on its behalf by:



Jane Peters  
Chairperson

# THE KEYS ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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. The accounting officer is 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.

Following the national lockdown for the Covid-19 pandemic that was enforced in March 2020, the trustees and local governing bodies continued their governance via virtual meetings.

The board of trustees formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Rev Hannah Hobday	5	5
David Horrocks (Vice Chairperson)	5	5
Michael Mill (Appointed 12 March 2021)	2	2
Jane Peters (Chairperson)	5	5
Rachel Pither	5	5
Penelope Jane Williams	5	5
Hester Wooller (Accounting Officer)	5	5

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 experience.

The next self-evaluation review of governance will be carried out at the Trust Strategy Day in January 2022.

# THE KEYS ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### 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

### **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 5 finance and audit committee meetings in the year ended 31 August 2021.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Rev Hannah Hobday	5	5
Michael Mill (Appointed 12 March 2021)	2	2
Jane Peters (Chairperson)	5	5
Penelope Jane Williams	5	5
Hester Wooller (Accounting Officer)	5	5

# THE KEYS ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### **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 2021. 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
David Horrocks	6	6
Michael Mill (appointed 12/03/2021)	1	2
Jane Peters	6	6
Hester Wooller	6	6

#### **Pay & Personnel**

The pay and personnel committee is a sub-committee of the main board of trustees. Its purpose 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.
- 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.

# THE KEYS ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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There were five pay and personnel meetings in the year ended 31 August 2021. Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Michael Mill (Appointed 12 March 2021)	2	2
Jane Peters (Chairperson)	5	5
Rachel Pither	5	5
Penelope Jane Williams	4	5
Hester Wooller (Accounting Officer)	5	5

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

The central team at the Trust has continued to support all the schools during the pandemic with weekly leadership meetings for Headteachers, negotiation with suppliers, and support to schools to access the furlough scheme for extended services staff.

Following the addition of three schools to the Trust, the Trust has reviewed the staffing structure of the finance support across the schools which has resulted in financial efficiencies. A set of financial metrics have been introduced that schools are expected to follow when setting their budgets.

#### 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 period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

# THE KEYS ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the 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 Bishop Fleming as its internal auditor for the year ended 31 August 2021. 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:

- Review of employee contracts and files
- Review of payroll procedures to ensure that they have been followed in accordance with the Trust's finance manual
- Review of LGPS and TPS contribution rates
- Review of the Single Central Record

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

# THE KEYS ACADEMY TRUST

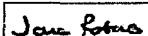
## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

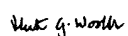
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The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on .....03.12.21..... and signed on its behalf by:



Jane Peters  
Chairperson



Hester Wooller  
Accounting Officer

# THE KEYS ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2021**

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As accounting officer of The Keys Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

03.12.21  
.....



# THE KEYS ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2021**

The trustees (who are also the directors of The Keys Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

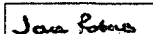
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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.

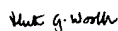
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on .....03.12.21..... and signed on its behalf by:



Jane Peters  
Chairperson



Hester Wooller  
Accounting Officer

# THE KEYS ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KEYS ACADEMY TRUST

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Opinion

We have audited the accounts of The Keys Academy Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 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 prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

### 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 accounts' 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 accounts 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic 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, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# THE KEYS ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KEYS ACADEMY TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our commercial knowledge and experience of the client's business sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, the Charities Act 2011, ESFA requirements, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated with the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining whether accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the ESFA and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors/trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

# THE KEYS ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KEYS ACADEMY TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company'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

17 December 2021  
.....

**Chartered Accountants**  
**Statutory Auditor**

Beaver House  
23-38 Hythe Bridge Street  
Oxford  
OX1 2EP

# THE KEYS ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE KEYS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Keys Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information.
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
- Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
- Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
- 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)

FOR THE YEAR ENDED 31 AUGUST 2021

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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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



### Reporting Accountant

Critchleys Audit LLP  
Beaver House  
23-38 Hythe Bridge Street  
Oxford  
OX1 2EP

Dated: 17 December 2021

# THE KEYS ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	30,179	147,669	13,478,997	13,656,845
Donations - transfer from local authority on conversion	25	17,173	(917,887)	35,806	(864,908)
Charitable activities:					
- Funding for educational operations	4	452,520	9,845,845	-	10,298,365
Other trading activities	5	13,677	-	-	13,677
Investments	6	992	-	-	992
<b>Total</b>		<b>514,541</b>	<b>9,075,627</b>	<b>13,514,803</b>	<b>23,104,971</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	9	453,895	10,633,855	487,944	11,575,694
<b>Total</b>	7	<b>453,895</b>	<b>10,633,855</b>	<b>487,944</b>	<b>11,575,694</b>
<b>Net income/(expenditure)</b>		<b>60,646</b>	<b>(1,558,228)</b>	<b>13,026,859</b>	<b>11,529,277</b>
Transfers between funds	17	-	81,715	(81,715)	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	19	-	(768,000)	-	(768,000)
<b>Net movement in funds</b>		<b>60,646</b>	<b>(2,244,513)</b>	<b>12,945,144</b>	<b>10,761,277</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		680,174	(2,823,353)	712,722	(1,430,457)
<b>Total funds carried forward</b>		<b>740,820</b>	<b>(5,067,866)</b>	<b>13,657,866</b>	<b>9,330,820</b>



# THE KEYS ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2020 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	89,727	-	73,572	163,299
Donations - transfer from local authority on conversion	25	135,526	(521,414)	58,501	(327,387)
<b>Charitable activities:</b>					
- Funding for educational operations	4	309,787	7,247,502	-	7,557,289
Other trading activities	5	31,348	-	-	31,348
Investments	6	1,181	-	-	1,181
<b>Total</b>		<u>567,569</u>	<u>6,726,088</u>	<u>132,073</u>	<u>7,425,730</u>
<b>Expenditure on:</b>					
<b>Charitable activities:</b>					
- Educational operations	9	354,297	7,415,614	29,792	7,799,703
<b>Total</b>	7	<u>354,297</u>	<u>7,415,614</u>	<u>29,792</u>	<u>7,799,703</u>
<b>Net income/(expenditure)</b>		213,272	(689,526)	102,281	(373,973)
Transfers between funds	17	-	10,633	(10,633)	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	19	-	(178,000)	-	(178,000)
<b>Net movement in funds</b>		213,272	(856,893)	91,648	(551,973)
<b>Reconciliation of funds</b>					
Total funds brought forward		466,902	(1,966,460)	621,074	(878,484)
Total funds carried forward		<u>680,174</u>	<u>(2,823,353)</u>	<u>712,722</u>	<u>(1,430,457)</u>


# THE KEYS ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	13		13,416,679		527,339
<b>Current assets</b>					
Debtors	14	647,165		474,913	
Cash at bank and in hand		2,479,179		1,892,823	
		3,126,344		2,367,736	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(1,073,203)		(753,532)	
<b>Net current assets</b>			2,053,141		1,614,204
<b>Net assets excluding pension liability</b>			15,469,820		2,141,543
Defined benefit pension scheme liability	19		(6,139,000)		(3,572,000)
<b>Total net assets/(liabilities)</b>			9,330,820		(1,430,457)
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			13,657,866		712,722
- Restricted income funds			1,071,134		748,647
- Pension reserve			(6,139,000)		(3,572,000)
<b>Total restricted funds</b>			8,590,000		(2,110,631)
<b>Unrestricted income funds</b>	17		740,820		680,174
<b>Total funds</b>			9,330,820		(1,430,457)

The accounts on pages 30 to 57 were approved by the trustees and authorised for issue on .....03.12.21..... and are signed on their behalf by:



Jane Peters  
Chairperson

Company Number 10818575

# THE KEYS ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	20	448,452		372,046	
Cash funds transferred on conversion		215,092		272,613	
		<u>663,544</u>		<u>644,659</u>	
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		992		1,181	
Capital grants from DfE Group		53,623		40,947	
Capital funding received from sponsors and others		-		32,625	
Purchase of tangible fixed assets		<u>(131,803)</u>		<u>(100,790)</u>	
<b>Net cash used in investing activities</b>			<u>(77,188)</u>		<u>(26,037)</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>			586,356		618,622
Cash and cash equivalents at beginning of the year			1,892,823		1,274,201
<b>Cash and cash equivalents at end of the year</b>			<u><u>2,479,179</u></u>		<u><u>1,892,823</u></u>

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

The Keys Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

##### 1.1 Basis of preparation

The accounts 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 2020 to 2021 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.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts 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 accounts.

##### 1.3 Conversion to an academy trust

The conversion from a state 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. Further details of the transaction are set out in note 25.

##### 1.4 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

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

#### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### Donations

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

#### Other income

Other income, including the hire of facilities, is recognised in the 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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### Transfer of assets on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred net 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. Income equal to the net assets transferred on conversion is recognised within donations and capital grant income.

### 1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### 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.

### 1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold buildings	50 years from conversion
Leasehold improvements	10-30 years
Computer equipment	3 years
Furniture and equipment	4 years

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

### 1.7 Liabilities

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

### 1.8 Leased assets

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

### 1.9 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.

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

#### 1 Accounting policies

(Continued)

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

#### 1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. 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 are 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 or 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 recognised gains and losses.

#### 1.12 Fund accounting

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

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

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.

### 2 Critical accounting estimates and areas of judgement

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 19).

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donated fixed assets	-	13,238,436	13,238,436	-
Capital grants	-	240,561	240,561	64,724
Other donations	30,179	147,669	177,848	98,575
	<u>30,179</u>	<u>13,626,666</u>	<u>13,656,845</u>	<u>163,299</u>



# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	7,854,726	7,854,726	5,652,403
Other DfE / ESFA grants:				
UIFSM	-	263,559	263,559	192,376
Pupil premium	-	254,386	254,386	221,019
Others (see below)	-	582,397	582,397	455,362
	-	8,955,068	8,955,068	6,521,160
<b>Other government grants</b>				
Local authority grants (see below)	-	718,317	718,317	726,342
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	-	151,360	151,360	-
Other DfE/ESFA COVID-19 funding	-	21,100	21,100	-
	-	172,460	172,460	-
Other incoming resources (see below)	452,520	-	452,520	309,787
<b>Total funding</b>	452,520	9,845,845	10,298,365	7,557,289

The academy received £151,360 of funding for catch-up premium and costs incurred in respect of this funding totalled £120,100, with the remaining £31,260 to be spent in 2021/22.

Other incoming resources include income from clubs £184,105 (2019/20: £140,381), trips and activities £35,278 (2019/20: £37,573), insurance claims £118,586 (2019/20: £69,138) and catering £20,815 (2019/20: £3,709).

Other ESFA grants include Teachers' Pension Grant of £288,130 (2019/20: £220,318), Teachers' Pay Grant £96,202 (2019/20: £72,193), Sports Grant £144,270 (2019/20: £108,720), and Rates Reclaim £46,145 (2019/20: £28,531).

Local Authority grants include Early Years funding £380,074 (2019/20: £228,867), SEN funding £217,596 (2019/20: £136,640) and start up funding for Alder Grove of £88,000 (2019/20: 339,845).

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	13,677	-	13,677	31,348

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	992	-	992	1,181

### 7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Academy's educational operations					
- Direct costs	7,070,238	-	406,370	7,476,608	5,506,198
- Allocated support costs	1,766,804	1,350,708	981,574	4,099,086	2,293,505
	<u>8,837,042</u>	<u>1,350,708</u>	<u>1,387,944</u>	<u>11,575,694</u>	<u>7,799,703</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	16,775	13,700
- Other services	8,300	7,955
Operating lease rentals	15,179	11,066
Depreciation of tangible fixed assets	273,685	29,792
Loss on disposal of fixed assets	207,214	-
Net interest on defined benefit pension liability	71,000	9,000

### 8 Central services

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

- governance
- finance support
- policy
- school improvement

The academy trust charges for these services on the following basis:

5% of GAG income

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 8 Central services

(Continued)

The amounts charged during the year were as follows:

	2021 £	2020 £
The Coombes CE School	78,957	72,084
Earley St Peter's CE School	90,295	85,141
St Sebastian's CE Primary School	33,302	33,959
Sonning CE Primary School	41,194	32,149
Crazies Hill CE Primary School	23,876	18,066
St Nicholas CE Primary School	30,164	22,998
Alder Grove CE Primary School	12,487	-
Polehampton CE Junior School	47,070	-
Polehampton CE Infant School	35,278	-
	<u>392,623</u>	<u>264,397</u>

#### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>Direct costs</b>				
Educational operations	453,895	7,022,713	7,476,608	5,506,198
<b>Support costs</b>				
Educational operations	-	4,099,086	4,099,086	2,293,505
	<u>453,895</u>	<u>11,121,799</u>	<u>11,575,694</u>	<u>7,799,703</u>

	2021 £	2020 £
<b>Analysis of support costs</b>		
Support staff costs	1,766,804	1,062,973
Depreciation	480,899	29,792
Technology costs	220,512	145,754
Premises costs	869,809	465,055
Other support costs	737,490	574,051
Governance costs	23,572	15,880
	<u>4,099,086</u>	<u>2,293,505</u>

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	6,187,761	4,411,951
Social security costs	519,782	361,772
Pension costs	1,970,952	1,264,666
Staff costs - employees	8,678,495	6,038,389
Agency staff costs	145,150	186,131
Staff restructuring costs	13,397	-
	8,837,042	6,224,520
Staff development and other staff costs	22,108	27,503
Total staff expenditure	8,859,150	6,252,023

Staff restructuring costs comprise:

Redundancy payments	500	-
Severance payments	12,897	-
	13,397	-

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £13,397 (2020: £Nil). Individually, the payments were: £12,897 and £500.

#### Staff numbers

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

	2021 Number	2020 Number
Teachers	99	87
Administration and support	211	150
Management	17	15
	327	252

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Staff

(Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

	2021 Number	2020 Number
Teachers	75	60
Administration and support	97	72
Management	15	11
	<u>187</u>	<u>143</u>

#### Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	2	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1
	<u>5</u>	<u>3</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £287,309 (2020: £259,389).

### 11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

Hester Wooller (CEO and trustee):

- Remuneration £90,001 - £95,000 (2020: £90,001 - £95,000)
- Employer's pension contributions £20,001 - £25,000 (2020: £20,001 - £25,000)

No trustees received any travel and subsistence payments during the year. Expenses of £188 were paid to one trustee in 2019/2020.

Other related party transactions involving the trustees are set out within the related parties note.

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 12 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 trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

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

### 13 Tangible fixed assets

	Leasehold buildings	Leasehold improvements	Computer equipment	Furniture and equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2020	447,222	19,846	71,352	75,239	613,659
Additions	13,238,436	32,749	72,035	27,019	13,370,239
Disposals	(223,611)	-	-	-	(223,611)
At 31 August 2021	13,462,047	52,595	143,387	102,258	13,760,287
<b>Depreciation</b>					
At 1 September 2020	26,832	132	27,768	31,588	86,320
On disposals	(16,397)	-	-	-	(16,397)
Charge for the year	223,949	469	37,688	11,579	273,685
At 31 August 2021	234,384	601	65,456	43,167	343,608
<b>Net book value</b>					
At 31 August 2021	13,227,663	51,994	77,931	59,091	13,416,679
At 31 August 2020	420,390	19,714	43,584	43,651	527,339

Additions to leasehold land and buildings include donated land and buildings at Alder Grove Primary School from Wokingham Borough Council at a value of £13,238,436 and for a lease term of 125 years from 15 July 2020. Since a formal valuation of the assets is not yet available the Trustees have used the build costs per square metre of a similar school to arrive at a value to use in the accounts.

#### Transfers on conversion during the year ended 31 August 2021

The academy trust entered into a Supplemental Agreement with Church land trustees for the use of land and buildings at Polehampton CE Infant School and Polehampton CE Junior School. The academy trust has permission to use the land and buildings for an indefinite period, subject to a 2 year termination notice period. The land and buildings have not been recognised as a fixed asset as the trustees consider that the academy trust does not have sufficient control over the premises.

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 14 Debtors

	2021 £	2020 £
Trade debtors	5,793	222,691
VAT recoverable	111,495	61,842
Other debtors	-	1,752
Prepayments and accrued income	529,877	188,628
	<u>647,165</u>	<u>474,913</u>

### 15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	216,160	163,886
Other taxation and social security	121,393	83,597
Other creditors	152,227	107,468
Accruals and deferred income	583,423	398,581
	<u>1,073,203</u>	<u>753,532</u>

### 16 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	<u>363,362</u>	<u>249,694</u>
Deferred income at 1 September 2020	249,694	150,144
Released from previous years	(249,694)	(150,144)
Resources deferred in the year	<u>363,362</u>	<u>249,694</u>
Deferred income at 31 August 2021	<u>363,362</u>	<u>249,694</u>

At the balance sheet date the academy trust was holding funding received specifically for the next financial year totalling £326,800 (2020: £207,985), together with lettings, trips, activities and other income received in advance totalling £36,562 (2020: £41,709).

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 17 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	544,896	7,854,726	(7,586,635)	130,002	942,989
UIFSM	-	263,559	(263,559)	-	-
Pupil premium	5,000	254,386	(259,386)	-	-
Catch-up premium	-	151,360	(120,100)	-	31,260
Other DfE/ESFA COVID-19 funding	-	21,100	(21,100)	-	-
Other DfE / ESFA grants	57,911	582,397	(543,423)	-	96,885
Other government grants	140,840	718,317	(810,870)	(48,287)	-
Other restricted funds	-	309,782	(309,782)	-	-
Pension reserve	(3,572,000)	(1,080,000)	(719,000)	(768,000)	(6,139,000)
	<u>(2,823,353)</u>	<u>9,075,627</u>	<u>(10,633,855)</u>	<u>(686,285)</u>	<u>(5,067,866)</u>
<b>Restricted fixed asset funds</b>					
Capital transferred on conversion	77,647	35,806	(23,875)	8,332	97,910
DfE group capital grants	91,729	240,561	(190,384)	-	141,906
Fixed assets fund (note 13)	527,339	-	(273,685)	13,163,025	13,416,679
Capital donations	16,007	13,238,436	-	(13,253,072)	1,371
	<u>712,722</u>	<u>13,514,803</u>	<u>(487,944)</u>	<u>(81,715)</u>	<u>13,657,866</u>
<b>Total restricted funds</b>	<u>(2,110,631)</u>	<u>22,590,430</u>	<u>(11,121,799)</u>	<u>(768,000)</u>	<u>8,590,000</u>
<b>Unrestricted funds</b>					
General funds	<u>680,174</u>	<u>514,541</u>	<u>(453,895)</u>	<u>-</u>	<u>740,820</u>
<b>Total funds</b>	<u>(1,430,457)</u>	<u>23,104,971</u>	<u>(11,575,694)</u>	<u>(768,000)</u>	<u>9,330,820</u>



# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### 17 Funds

(Continued)

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

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.

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.

The academy trust is not subject to GAG carried forward limits.

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 17 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	307,953	5,652,403	(5,426,093)	10,633	544,896
UIFSM	-	192,376	(192,376)	-	-
Pupil premium	5,000	221,019	(221,019)	-	5,000
Other DfE / ESFA grants	157,587	455,362	(555,038)	-	57,911
Other government grants	-	726,342	(585,502)	-	140,840
Revenue transferred on conversion	-	78,586	(78,586)	-	-
Pension reserve	(2,437,000)	(600,000)	(357,000)	(178,000)	(3,572,000)
	<u>(1,966,460)</u>	<u>6,726,088</u>	<u>(7,415,614)</u>	<u>(167,367)</u>	<u>(2,823,353)</u>
<b>Restricted fixed asset funds</b>					
Capital transferred on conversion	54,152	58,501	-	(35,006)	77,647
DfE group capital grants	94,574	64,724	-	(67,569)	91,729
Fixed asset funds (note 13)	456,341	-	(29,792)	100,790	527,339
Capital donations	16,007	8,848	-	(8,848)	16,007
	<u>621,074</u>	<u>132,073</u>	<u>(29,792)</u>	<u>(10,633)</u>	<u>712,722</u>
<b>Total restricted funds</b>	<u>(1,345,386)</u>	<u>6,858,161</u>	<u>(7,445,406)</u>	<u>(178,000)</u>	<u>(2,110,631)</u>
<b>Unrestricted funds</b>					
General funds	<u>466,902</u>	<u>567,569</u>	<u>(354,297)</u>	<u>-</u>	<u>680,174</u>
<b>Total funds</b>	<u>(878,484)</u>	<u>7,425,730</u>	<u>(7,799,703)</u>	<u>(178,000)</u>	<u>(1,430,457)</u>

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 17 Funds

(Continued)

#### Total funds analysis by academy

	2021 £	2020 £
Fund balances at 31 August 2021 were allocated as follows:		
The Coombes CE School	496,553	356,377
Earley St Peter's CE School	498,808	450,027
St Sebastian's CE Primary School	159,924	81,160
Sonning CE Primary School	40,320	37,341
Crazies Hill CE Primary School	125,191	122,941
St Nicholas CE Primary School	58,447	54,873
Alder Grove CE Primary School	11,468	-
Polehampton CE Junior School	97,389	-
Polehampton CE Infant School	64,451	-
Central services	259,403	326,102
Total before fixed assets fund and pension reserve	1,811,954	1,428,821
Restricted fixed asset fund	13,657,866	712,722
Pension reserve	(6,139,000)	(3,572,000)
Total funds	9,330,820	(1,430,457)

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 17 Funds

(Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
The Coombes CE School	1,290,977	135,580	189,356	285,880	1,901,793	1,774,724
Earley St Peter's CE School	1,737,802	197,587	121,895	405,897	2,463,181	2,191,279
St Sebastian's CE Primary School	527,464	66,549	74,510	73,876	742,399	786,383
Sonning CE Primary School	753,870	122,896	72,031	108,204	1,057,001	922,806
Crazies Hill CE Primary School	409,010	53,092	38,193	70,863	571,158	542,895
St Nicholas CE Primary School	533,233	58,672	46,581	90,229	728,715	692,349
Alder Grove CE Primary School	250,413	93,645	23,765	98,802	466,625	-
Polehampton CE Junior School	760,448	128,077	69,754	174,993	1,133,272	-
Polehampton CE Infant School	549,740	121,991	45,255	112,766	829,752	-
Central services	96,020	140,718	36,949	208,212	481,899	502,475
	<u>6,908,977</u>	<u>1,118,807</u>	<u>718,289</u>	<u>1,629,722</u>	<u>10,375,795</u>	<u>7,412,911</u>
Depreciation					273,685	29,792
Loss on disposal of property					207,214	-
Other finance costs and pension costs					719,000	357,000
Total expenditure per Note 7					<u>11,575,694</u>	<u>7,799,703</u>

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	13,416,679	13,416,679
Current assets	765,339	2,119,818	241,187	3,126,344
Creditors falling due within one year	(24,519)	(1,048,684)	-	(1,073,203)
Defined benefit pension liability	-	(6,139,000)	-	(6,139,000)
Total net assets	<u>740,820</u>	<u>(5,067,866)</u>	<u>13,657,866</u>	<u>9,330,820</u>

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	527,339	527,339
Current assets	680,174	1,502,179	185,383	2,367,736
Creditors falling due within one year	-	(753,532)	-	(753,532)
Defined benefit pension 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>

### 19 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 that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £105,993 were payable to the schemes at 31 August 2021 (2020: £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 Scheme 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 makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

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

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 19 Pension and similar obligations

(Continued)

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%.

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

The employer's pension costs paid to the TPS in the period amounted to £653,827 (2020: £293,516).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21.6% for employers and 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 closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2021 £	2020 £
Employer's contributions	408,000	256,000
Employees' contributions	117,000	74,000
Total contributions	525,000	330,000
Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.9	3.25
Rate of increase for pensions in payment/inflation	2.9	2.25
Discount rate for scheme liabilities	1.65	1.6
Inflation assumption (CPI)	2.95	0.5
Commutation of pensions to lump sums	50	50

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 19 Pension and similar obligations

(Continued)

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

	2021 Years	2020 Years
Retiring today		
- Males	21.3	21.5
- Females	24.0	24.1
Retiring in 20 years		
- Males	22.6	22.9
- Females	25.4	25.5

Scheme liabilities would have been affected by changes in assumptions as follows:

	2021 £'000	2020 £'000
Discount rate + 0.1%	9,324	5,437
Discount rate - 0.1%	9,815	5,723
Mortality assumption + 1 year	9,949	5,784
Mortality assumption - 1 year	9,198	5,379

#### Defined benefit pension scheme net liability

	2021 £	2020 £
Scheme assets	3,427,000	2,006,000
Scheme obligations	(9,566,000)	(5,578,000)
Net liability	(6,139,000)	(3,572,000)

#### The academy trust's share of the assets in the scheme

	2021 Fair value £	2020 Fair value £
Equities	2,092,000	1,172,000
Other bonds	610,000	263,000
Target return portfolio	149,000	61,000
Longevity insurance	(193,000)	(119,000)
Property	404,000	285,000
Other assets	365,000	344,000
Total market value of assets	3,427,000	2,006,000

The actual return on scheme assets was £344,000 (2020: £(144,000)).

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2021 £	2020 £
Current service cost	648,000	348,000
Interest cost	71,000	9,000
Administration expenses	2,000	1,000
Total operating charge	721,000	358,000
Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	5,578,000	3,996,000
Obligations acquired on conversion	1,693,000	945,000
Current service cost	1,054,000	603,000
Interest cost	117,000	94,000
Employee contributions	117,000	74,000
Actuarial loss/(gain)	1,066,000	(51,000)
Benefits paid	(59,000)	(83,000)
At 31 August 2021	9,566,000	5,578,000
Changes in the fair value of the academy trust's share of scheme assets	2021 £	2020 £
At 1 September 2020	2,006,000	1,559,000
Assets acquired on conversion	613,000	345,000
Interest income	46,000	85,000
Actuarial (gain)/loss	298,000	(229,000)
Employer contributions	408,000	256,000
Employee contributions	117,000	74,000
Benefits paid	(59,000)	(83,000)
Administration expenses	(2,000)	(1,000)
At 31 August 2021	3,427,000	2,006,000



# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	11,529,277	(373,973)
Adjusted for:		
Net deficit on conversion to academy	864,908	327,387
Capital grants from DfE and other capital income	(13,478,997)	(73,572)
Investment income receivable	(992)	(1,181)
Defined benefit pension costs less contributions payable	648,000	348,000
Defined benefit pension scheme finance cost	71,000	9,000
Depreciation of tangible fixed assets	273,685	29,792
Loss on disposal of fixed assets	207,214	-
Decrease/(increase) in debtors	14,686	(224,846)
Increase in creditors	319,671	331,439
<b>Net cash provided by operating activities</b>	<b>448,452</b>	<b>372,046</b>

#### 21 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	1,892,823	586,356	2,479,179

#### 22 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	12,362	4,193
Amounts due in two and five years	30,781	1,124
	<b>43,143</b>	<b>5,317</b>

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 23 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.

##### Expenditure related party transactions

In 2019/20 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. G Reddie is no longer a trustee and so no disclosure of N Reddie's remuneration is required for 2020/21.

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

In 2019/20 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 received no remuneration during 2020/21.

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

In 2019/20 M Peters (son of J Peters, a member and Trustee) received remuneration of £414 during the year for his work as a casual playworker. He received no remuneration during 2020/21.

M Peters' appointment was made in open competition and J Peters was not involved in the decision-making process regarding appointment. M Peters was paid within the normal pay scale for his role and received 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 2021, the Trust paid £9,535 (2020: £10,222) for support services from ODBE.

#### 24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

# THE KEYS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 25 Conversion to an academy

Academy	Location	Date of conversion
Polehampton CE Junior School	Twyford	1 September 2020
Polehampton CE Infant School	Twyford	1 September 2020

	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £
<b>Net assets transferred:</b>				
Cash	17,173	162,113	35,806	215,092
Pension scheme deficit	-	(1,080,000)	-	(1,080,000)
	<u>17,173</u>	<u>(917,887)</u>	<u>35,806</u>	<u>(864,908)</u>

	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £
<b>Funds surplus/(deficit) transferred:</b>				
Fixed assets funds	-	-	35,806	35,806
LA budget funds	17,173	162,113	-	179,286
LGPS pension funds	-	(1,080,000)	-	(1,080,000)
	<u>17,173</u>	<u>(917,887)</u>	<u>35,806</u>	<u>(864,908)</u>

On 1 September 2020 Polehampton Infant and Junior Schools (Local Authority maintained schools) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Keys Academy Trust from Wokingham Borough Council for £nil consideration.

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

The table above sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.