

Report of the Trustees and
Financial Statements
for the Year Ended 31 August 2021
for
KINGSTONE ACADEMY TRUST

KINGSTONE ACADEMY TRUST

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for the year ended 31 August 2021

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KINGSTONE ACADEMY TRUST

Reference and Administrative Details
for the Year Ended 31 August 2021

Members	Mr E Gough Mr S Harris (appointed 14.12.20) Mr S Thomas (appointed 14.12.20) Mrs J Shearer
Trustees	Mr A P Coates (Vice Chair of Trustees) Mr D Bennett (appointed 01/11/20) Dr J D Hanks Mrs A L Jordan Ms Maureen Douglas Dr A Lavers Mr R M Pinches Mr J D C Wright (Chair of Trustees)
Clerk to the Trustees	Mrs S Spreckley
Company secretary	Mrs S Spreckley
Senior Leadership	Mr D Bennett (Executive Headteacher from 01/11/20) Mr L Butler (Head of School - Secondary) Mr D Cook (Assistant Headteacher - Secondary) Mrs R Finch (Assistant Headteacher - Secondary) Mrs Della Pascoe (Deputy Headteacher - Primary) Mrs R Ruvino (Assistant Headteacher - Secondary) Mrs S Shough (Academy Business Manager) Mrs E Vigus (Head of School - Primary)
Registered office	Kingstone High School Hereford HR2 9HJ
Registered company number	07681857
Auditors	Haines Watts Birmingham LLP 5-6 Greenfield Crescent Edgbaston Birmingham B15 3BE
Bankers	Lloyds Bank Plc 6-8 High Street Hereford HR1 2AE

KINGSTONE ACADEMY TRUST

Report of the Trustees for the year ended 31 August 2021

The Trustees present their annual report with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

Kingstone Academy Trust is a Multi-Academy Trust formed between Kingstone High School and Kingstone & Thruxton Primary School. The Company was incorporated on the 24 June 2011 and converted from a Local Authority School to an Academy Trust on the 1 August 2011 (High School) and 1 September 2011 (Primary School).

The Trustees of Kingstone Academy Trust Limited are also the Directors of the charitable company for the purposes of company law. The Charitable Company is known as Kingstone Academy Trust.

Details of the Trustees who served throughout the year and up to the date of sign-off, are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the Company undertakes to contribute to the assets of the 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

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust.

The liability insurance is provided by Zurich Plc and provides cover up to £5,000,000 (2020: £5,000,000) on any one claim.

Principal activities

This is defined in the Articles of Association:

The Academy Trust's objects ("the Objects") are 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 schools ("the Academies") offering a broad and balanced curriculum.

Promoting for the benefit of the inhabitants of Kingstone and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Method of Recruitment and Appointment or Election of Trustees

This is defined in the Articles of Association:

The Members may appoint up to 12 Trustees.

The Members may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Executive Headteacher) who are employees of the Academy Trust does not exceed one-third of the total number of Trustees.

Further details can be found in the Articles of Association.

KINGSTONE ACADEMY TRUST

Report of the Trustees - continued
for the year ended 31 August 2021

Structure, governance and management – continued

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment and Induction policy.

The training and induction provided for new Trustees includes a tour of the Academy and a chance to meet staff and pupils. The Herefordshire Governors Association provide external training including financial matters. They provide regular updates on practice, legislation and guidance. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

Organisational structure

The Academy Trust has a leadership structure which consists of the Trustees, the Executive Headteacher, the Academy Business Manager and two Heads of School for both Primary and Secondary as well as their respective senior leadership teams; three Assistant Heads in Secondary and one Deputy Head each in both Primary and Secondary (from 01/09/21). The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Executive Head is the Accounting Officer.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the strategic direction of the Academy, capital expenditure and key staff appointments.

The Senior Leadership directs the Academy Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. The Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for Heads of School and the Executive Headteacher always contain a Trustee.

Heads of Faculty and Phase leads are responsible for the day-to-day operation of curriculum subject areas and accordingly organise their teaching staff, capitation resources, facilities and students.

Arrangements for setting pay for remuneration of key management personnel

The Academy Trust uses career stage expectations and a rigorous performance management process to ensure that the human resources of the school provide good value for money. The Finance, Personnel & Audit Committee meets to review the Executive Headteacher's recommendations and to review that the pay ranges employed are still appropriate to the size of school and range of responsibility expected by an employee.

The Executive Head teacher's performance is reviewed annually by the Finance, Personnel & Audit Committee of the Board of Trustees and with the advice of a suitably qualified external advisor.

Trade union facility time

During this period the Academy did not pay union facility time in advance, instead paying as and when required by the unions within school.

Connected organisations, including related party relationships

Kingstone Academy Trust is a Multi-Academy Trust formed between Kingstone High School and Kingstone & Thruxton Primary School.

Kingstone Academy Trust continues to have proactive and mutually beneficial relationships with a number of county and nationwide groups such as the Local authority, the Schools Network, National College for School Leadership, Schools, Students and Teachers (SSAT), local post 16 providers, employers and training organisations. These links are maintained in the interests of supporting good practice and information sharing to enhance the school operations at all age groups.

Risk management

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances. The Finance, Personnel and Audit Committee receives a copy of the Risk Register at each meeting, providing assurance to the Full Board that all risks are documented and an action plan to mitigate each risk is in place. The Risk Register assesses risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school trips) and in relation to the control of finance. Trustees have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

Objectives and activities

Objectives and aims

Achieving Success Together

Our overall aim is to produce confident, self-assured and successful young adults who have the learning skills and track record of success in a variety of experiences that will allow them to make a positive contribution to their society.

Our vision is developed through the use of our Strategic Intent document.

The Academy Trust uses the motto of: 'Achieving Success Together'.

Our pledge is that we shall endeavour to provide opportunities for all in the following areas.

Achievement:

Whatever their ability:-

- Every child will make the expected progress at all stages of their schooling and the majority will have done even better than this by the time they leave.

Community:

We aim:-

- to embrace the wider community to provide opportunities for our pupils.
- to have all members of the Trust to feel part of one organisation.
- to maximise the role of parents in the wider community.
- to involve all partners of all kinds in the community to work with the Trust.

Through these aims Kingstone Academy Trust is seen as a central part of our local community.

Experiences:

All of our pupils will:-

- Have a rich, innovative and varied curriculum experience that meets their needs.
- Have access to opportunities and challenges outside the classroom that build on their talents and interests.
- Be safe in our caring and learning community.
- Be introduced to new experiences which will provide them with challenge in which to develop the skills needed to create a 'habit of success'.

Objectives, Strategies and Activities

The Company's object is to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum (Memorandum of Association).

The High School continues its commitment to provide a broad curriculum with a very wide ranging curriculum of GCSE and BTEC courses designed to meet the needs of our students. The Primary School curriculum is broad and diverse enough to meet the needs of all pupils.

The High School continues to augment its teaching by focusing on the wider world so that some students will be actively involved in qualifications that require them to research and investigate foreign countries, traditions and cultures. The school remains proud that it has been awarded International Schools Award for the second time, recognising the work we do with other schools and countries.

Our objectives are to use the aims laid out previously as the driving force to deliver a top-quality education experience to all of the young people who come to our schools. To achieve this aim we engage in a continual process of monitoring, self-review and actions to ensure we meet the needs of our pupils. This is common practice across both schools and there is much individual intervention and support to ensure this is the case.

Through this process we provide opportunities to our pupils to meet the aims as laid out previously. We provide a wide range of subject based academic experiences in both schools and a large range of wider experiential opportunities including; residential trips in this country and abroad; the opportunity to represent the schools in sporting fixtures at all ages in a wide variety of sports; the opportunity to represent the school in a school musical, drama performance or debating competition.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Strategic report

Achievement and performance

Charitable activities

In Kingstone & Thruxton Primary School, KS2 results at the last validated data point (2019) were strong and well above national in almost all key measures for the children reaching the expected standard. Although we have continued to teacher assess in school, our last reported data is as follows, with national percentages in brackets:

KS2:

% achieving level EXS: writing 83% (78%); reading 97% (73%); maths 96.6% (79%)

% achieving level GDS: writing 23%; reading 27%; maths 20%

Reading Writing & Maths 83.3% (65%)

KS1:

% Expected Standard + - reading 68%; writing 65%; maths 78%

% Greater Depth + - reading 14%; writing 14%; maths 14%

Phonics:

Y1 % achieving threshold: 86% (82%)

EYFS:

% achieving GLD: 77% (71.8%)

At Kingstone High School, due to the National closing of schools, Teacher Assessed Grades (TAG) were submitted to examination boards instead of formal examinations being taken by students. As predicted, the school's outcomes were largely in line with or better than the last set of validated results (2019). Due to results this year again not being standardised, performance tables have not been published.

BASICS

Attainment 8: 5.0 (4.2)

English & Maths at Grade 5+: 53% (50%)

English and Maths at Grade 4+: 76% (64%)

Grade 5+ English: 73% (61%)

Grade 4+ English: 91% (75%)

Grade 5+ Maths: 57% (54%)

Grade 4+ Maths: 76% (66%)

EBACC

Students entered for EBACC: 72% (58%)

Strong Pass (Grade 5+) in Ebacc: 38% (27%)

Standard Pass (Grade 4+) in Ebacc: 46% (30%)

Current Year 11 have already achieved strong GCSE English Literature grades.

Grade 5+: 67%

Grade 4+: 83%

School Improvement Planning

Both schools have a comprehensive School Improvement Plan in place, informed by a SEF, to further develop both schools. In each case the plan is developed around the latest OFSTED framework and its areas of judgement. The Primary School was judged Good by OFSTED following an inspection in July 2017; the report of a short Ofsted Inspection published in January 2019 stated that the school remains Good.

The school improvement plans have to focus on closing the gender gap in writing and ensuring high ability students achieve better progress as well as ensuring disadvantaged students close the gap on their non-disadvantaged peers.

KINGSTONE ACADEMY TRUST

Report of the Trustees - continued for the year ended 31 August 2021

<u>Pupils on roll</u> <u>(Census)</u>	<u>High School</u>	<u>Primary School</u>	<u>Total</u>
October 2016	335	154	489
October 2017	387	171	558
October 2018	440	194	634
October 2019	503	185	688
October 2020	571	188	759
October 2021	607	186	793

Like the vast majority of schools across the county of Herefordshire, both the high school and primary have suffered in the past from declining numbers due to demographic changes. However, both schools have experienced a trend of improving numbers over recent years. The two schools are now oversubscribed in a number of year groups. The High school has been oversubscribed in Year 7 for each of the last four years.

There is significant building currently close to the schools and this will likely see both schools oversubscribed for the foreseeable future. The monies that will come from these developments will be used to increase basic need capacity.

Key financial performance indicators

These are covered throughout the Trustees' Report.

Impact of COVID-19

The Academy Trust put in place age and setting appropriate risk assessments which were used to support management of learning during this difficult time.

There has been a loss of monies due to loss of lettings and an increase in spending on resources to ensure that the risk of COVID 19 spread is reduced. In addition, the ability to fundraise has been greatly curtailed.

The full impact on students is yet to be determined, however the learning loss that has occurred is substantial.

There have also been significant issues with some vulnerable students and their return to the normality of school life after such a sustained period away from it. It is vital that this normality remains as much as possible.

There has been an impact on staffing with regards to shielding and self-isolation (under the government's updated guidance) and the knock effect of having to find supply cover when necessary.

COVID relief funding has gone some way to supporting the delivery of the curriculum 2020-21 but that funding will be reduced in the coming year, particularly with regards to supply costs that arise from any periods of staff isolation.

Clearly the uncertainties that continue this year will affect medium- and long-term planning e.g., the preparation for exams.

There have been some positive outcomes in terms of working practices such as the use of school cloud to enable online parents' evening.

Financial review

The majority of the Academy Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2020), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy Trust's accounting policies.

During the year ended 31 August 2021, total expenditure of £4,181,347 (2020: £3,768,471) was covered by recurrent grant funding from the DfE together with other incoming resources. The total net income before other gains and losses for the period was £249,434 (2020: net expenditure of £116,126).

At 31 August 2021, the net book value of fixed assets was £4,608,472 (2020: £4,616,357) and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

KINGSTONE ACADEMY TRUST

Report of the Trustees - continued for the year ended 31 August 2021

Financial review – continued

Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy Trust's level of reserves, unrestricted funds, (total funds less the amount held in restricted funds) at 31 August 2021 was £nil (2020: £nil). At the year end, the Academy Trust's level of General Restricted Funds stood at £659,281 (2020: £270,801).

Going concern

After making appropriate enquires, the Board of Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies

Investment policy and objectives

Should funds become available to invest, the chosen investment vehicle will be short term Money Market deposits. The Academy Business Manager will liaise with the Executive Headteacher regarding the amounts involved and the duration of the investment. Every effort will be made to maximise interest on surplus funds ensuring at the same time that full protection of funds is guaranteed.

Principal risks and uncertainties

The Trustees consider that the principal risks and uncertainties facing the Academy Trust are:

- To achieve and maintain a robust financial status.
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation.
- Operational risks resulting from changes in staffing or inappropriate staff being employed.
- Staff morale falling due to failure to deliver IT resources to staff and students.
- A failure to take advantage of any opportunities arising from potential MAT expansion

Principal risks and uncertainties (continued)

The key controls used by the Academy include:

- Detailed terms of reference for all committees.
- Formal agendas for the Academy board and committees.
- Schemes of delegation and formal financial regulations.
- Formal written policies.
- Clear authorisation and approval levels.
- Policies and procedures required by law to protect the vulnerable.

Financial and risk management objectives and policies

The School has agreed a Risk Management strategy, a Risk register and a risk management plan. These have been discussed by Trustees and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

Fundraising

The School has fundraising done on its behalf by the Friends of Kingstone High School. They keep a separate account and their accounts are audited independently of the school. Friends of Kingstone High School is a registered charity.

KINGSTONE ACADEMY TRUST

Report of the Trustees - continued for the year ended 31 August 2021

Future developments

Kingstone Academy Trust will continue its relentless progress towards fulfilling the pledges contained in our Strategic Intent document - these are developed around the educational achievement of all of our young people from age 3 - 16, our further involvement in our wider community and through providing our young people with a range of opportunities that will provide them with the skills to be successful adults.

The Trust has set ambitious academic targets for Key Stages 1, 2, 3 and 4 as well as stretching targets for improving attendance. Continuous Professional Development for all staff is at the heart of our operations to continually seek improvement in the service we provide. The Academy Trust will continue to benchmark itself against national academic measures and also areas of specific interest and expertise.

It will measure itself against internal annual School Improvement Plans and against the Aims and Objectives as outlined in both the Funding Agreement and the Memorandum of Association. The School Improvement Plans are developed around the 4 Ofsted themes and have a number of specific and measurable objectives.

As an outward facing school we will where appropriate continue to both share our expertise with others and to learn from them as we jointly seek to enhance the life opportunities of the young people we work with on a daily basis.

Auditors

Insofar as the Trustees are aware:

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

The auditors, Haines Watts Birmingham LLP, will be proposed for reappointment.

Report of the Trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the company Directors, on 16 December 2021 and signed on the board's behalf by:



.....
Mr J D C Wright - Chair of Trustees

KINGSTONE ACADEMY TRUST

Governance Statement for the Year Ended 31 August 2021

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Kingstone 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 of loss.

The Board of the Trustees has delegated the day-to-day responsibility to the Executive Headteacher, 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 Kingstone Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The Board of Trustees has formally met 4 times during the year due to the COVID and Lockdown. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Category of Membership	Meetings attended	Out of a possible
Mr David Bennett	Executive Headteacher (ex-officio)	3	3
Ms Maureen Douglas	Trustee	4	4
Mrs Andrea Jordan	Trustee	4	4
Mr James Wright	Chair of Trustees	3	4
Mr Andrew Coates	Trustee	3	4
Mr James Hanks	Trustee	2	4
Dr Alan Lavers	Trustee	2	4
Mr Robert Pinches	Trustee	1	4

The Board maintains oversight by virtue of the fact that the Board and its committees together met 9 times during the year.

The **Finance, Personnel and Audit Committee** is a sub-committee of the main Board of Trustees. Its purpose is to consider and advise the governing body on standards and other matters relating to the school's finance and resources, including statutory requirements and the school's financial policy. During the year Mrs S.Shough, who is the Academy Business Manager, attended the Committee meetings. Attendance at meetings in the year was as follows:

Trustee	Category of Membership	Meetings attended	Out of a possible
Mr Andrew Coates	Chair of Committee	2	4
Mr David Bennett	Executive Headteacher	4	4
Mr Rob Pinches	Trustee, Vice Chair of Committee	3	4
Mr James Wright	Trustee	4	4

Review of Value for Money

As Accounting Officer, the Executive Headteacher has responsibility for ensuring that the Academy Trust delivers good value for money 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 Academy Trust's use of its resources has provided value for money during the academic year in the following ways:

At Kingstone & Thruxton Primary School, the improved Ofsted judgement moving the school from requires improvement to Good is a judgement on the good work done by all over the previous years.

At Kingstone High School, there has been a maintained improvement in key areas with core subject areas now ranked in the top 20% nationally.

All of the school's work continues to focus essentially on improving the quality of its provision in order to enable all students to achieve the highest possible standards of attainment and progress.

KINGSTONE ACADEMY TRUST

Governance Statement - continued for the Year Ended 31 August 2021

Review of Value for Money - continued

The Finance, Personnel and Audit committee receives monthly budget monitoring reports and information relating to any tendering/procurement in accordance with the school's policies.

The budget is presented to the full Board of Trustees annually for approval. It also receives the Annual Audited Accounts and External Auditors' Management Report.

The Academy Trust undertakes tendering exercises for significant contracts to ensure that they are competitive. For lower value contracts, three quotes are required

The Academy Trust explores opportunities to increase revenues through the hire of facilities, grants and donations.

A risk register is maintained with high risks reviewed termly and updated as necessary.

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 Kingstone Academy Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor. For 2020/21 the Trustees appointed Devon Audit Partnership, Alexis Saffin, as Internal Auditor; the internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems in accordance with guidelines laid down in the Academies Financial Handbook. The internal auditor has undertaken 2 visits and reported to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustee's financial responsibilities.

KINGSTONE ACADEMY TRUST

Governance Statement - continued
for the Year Ended 31 August 2021

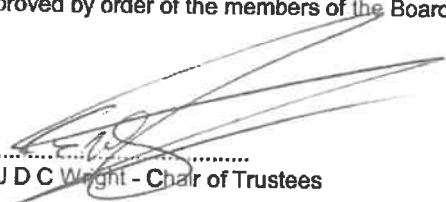
Review of Effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 16 December 2021 and signed on its behalf by:



.....
Mr J D C Wright - Chair of Trustees



.....
Mr D Bennett - Accounting Officer

KINGSTONE ACADEMY TRUST

Statement on Regularity, Propriety and Compliance
for the year ended 31 August 2021

As Accounting Officer of Kingstone Academy Trust I have considered my responsibility to notify the charitable company Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of 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.


.....
Mr D Bennett - Accounting Officer

16 December 2021

KINGSTONE ACADEMY TRUST

Statement of Trustees Responsibilities for the year ended 31 August 2021

The Trustees (who act as Governors of Kingstone Academy Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education and Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the Board of Trustees on 16 December 2021 and signed on its behalf by:



Mr J D C Wright - Chair of Trustees

Report of the Independent Auditors to the Members of
Kingstone Academy Trust

Opinion

We have audited the financial statements of Kingstone Academy Trust (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- 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 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charitable company'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. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Report of the Independent Auditors to the Members of
Kingstone Academy Trust

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Trustees and other management. The most significant were identified as the Companies Act 2006, the Charities Act 2011, the Charities SORP (FRS102) and the Accounts Direction and Academies Financial Handbook issued by the ESFA.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

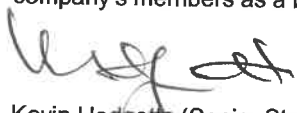
- making enquires of management and Trustees as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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

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 auditors' 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.



Kevin Hodgetts (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

17 December 2021

Independent Reporting Accountant's Assurance Report on Regularity to
Kingstone Academy Trust and the Education and Skills Funding Agency

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

Respective responsibilities of Kingstone Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Kingstone Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011, 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 Academies Accounts Direction 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

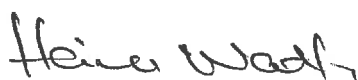
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the charitable company's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- A review of governance procedures;
- A review of financial budgeting and monitoring procedures;
- A review of related/ connected party transactions in accordance with internal processes and the Academies Financial Handbook
- A review of the Academy Trust's accounting and internal control procedures; and
- A review and sample testing of procurement procedures.

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.



Haines Watts Birmingham LLP
Reporting Accountant
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

17 December 2021

KINGSTONE ACADEMY TRUST

**Statement of Financial Activities
for the year ended 31 August 2021**

					2021	2020
	Notes	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	Total funds £	Total funds £
Income and endowments from						
Donations and capital grants	2	5,874	9,959	69,476	85,309	109,867
Charitable activities						
Funding for the academy's educational operations	3	-	4,320,377	-	4,320,377	3,513,590
Other trading activities	4	25,013	-	-	25,013	21,874
Investment income	5	82	-	-	82	234
Other income		-	-	-	-	6,780
Total		30,969	4,330,336	69,476	4,430,781	3,652,345
Expenditure on						
Raising funds	6	30,969	-	-	30,969	65,976
Charitable activities						
Academy's educational operations	7	-	3,992,582	157,796	4,150,378	3,702,495
Total	6	30,969	3,992,582	157,796	4,181,347	3,768,471
NET INCOME/(EXPENDITURE)		-	337,754	(88,320)	249,434	(116,126)
Transfers between funds	17	-	(66,274)	66,274	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit schemes		-	7,000	-	7,000	13,000
Net movement in funds		-	278,480	(22,046)	256,434	(103,126)
Reconciliation of funds						
Total funds brought forward		-	(2,014,199)	4,630,518	2,616,319	2,719,445
Total funds carried forward		-	(1,735,719)	4,608,472	2,872,753	2,616,319

The notes form part of these financial statements

KINGSTONE ACADEMY TRUST

Balance Sheet 31 August 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	13	4,608,472	4,616,357
Current assets			
Debtors	14	125,121	98,852
Cash at bank		<u>692,449</u>	<u>377,785</u>
		817,570	476,637
Creditors			
Amounts falling due within one year	15	(158,289)	(191,675)
Net current assets		<u>659,281</u>	<u>284,962</u>
Total assets less current liabilities		5,267,753	4,901,319
Pension liability	18	(2,395,000)	(2,285,000)
NET ASSETS		<u>2,872,753</u>	<u>2,616,319</u>
Funds	17		
Restricted funds:			
General restricted funds		659,281	270,801
Restricted fixed asset funds		4,608,472	4,630,518
Pension reserve		<u>(2,395,000)</u>	<u>(2,285,000)</u>
		<u>2,872,753</u>	<u>2,616,319</u>
Total funds		<u>2,872,753</u>	<u>2,616,319</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 16 December 2021 and were signed on its behalf by:


.....
Mr J D C Wright - Chair of Trustees

Registered Company Number: 07681857

The notes form part of these financial statements

KINGSTONE ACADEMY TRUST

**Cash Flow Statement
for the year ended 31 August 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	21	395,409	127,173
Interest paid		<u>(310)</u>	<u>(211)</u>
Net cash provided by operating activities		<u>395,099</u>	<u>126,962</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(149,911)	(88,275)
Capital grants from DfE/ESFA		<u>69,476</u>	<u>59,649</u>
Net cash used in investing activities		<u>(80,435)</u>	<u>(28,626)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		<u>314,664</u>	<u>98,336</u>
Cash and cash equivalents at the end of the reporting period		<u>377,785</u>	<u>279,449</u>
		<u>692,449</u>	<u>377,785</u>

The notes form part of these financial statements

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2020 to 2021 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Donated goods, facilities and services

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2021

1. Accounting policies - continued

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Governance costs

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

Long leasehold buildings	2%-20% straight line method
Long leasehold land	not depreciated
Furniture, fittings and equipment	15%-20% straight line method
ICT equipment	33.3% straight line method

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

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.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2021

1. Accounting policies - continued

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.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

Pension benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 18, the TPS is a Multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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

Critical accounting judgements and key sources of estimation uncertainty

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:

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2021

1. Accounting policies - continued

Critical accounting judgements and key sources of estimation uncertainty

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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.

2. Donations and capital grants

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Donations and contributions from other organisations	5,874	-	5,874	-
Capital grants	-	69,476	69,476	59,649
School trips and music income	-	9,959	9,959	50,218
	<u>5,874</u>	<u>79,435</u>	<u>85,309</u>	<u>109,867</u>

3. Funding for the academy's educational operations

	Unrestricted	Restricted	2020/21 Total	2019/20 Total
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,405,880	3,405,880	2,999,175
Other DfE/ESFA grants				
UFSM	-	20,866	20,866	25,875
Pupil Premium	-	177,231	177,231	178,539
Teachers pay grant	-	45,431	45,431	40,955
Teachers pension grant	-	128,375	128,375	115,727
Others	-	77,346	77,346	35,908
	-	3,855,129	3,855,129	3,396,179
Other Government grants				
Local authority grants	-	241,765	241,765	15,658
Special educational projects	-	159,118	159,118	88,638
Other income from the academy's educational operations	-	-	-	13,115
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	60,640	60,640	-
Other DfE/ESFA COVID-19 funding	-	3,725	3,725	-
	-	4,320,377	4,320,377	3,513,590

The Trust received £61k of funding for catch-up premium and costs incurred in respect of this funding totalled £30k with the remaining £31k to be spent in 21/22.

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2021

3. Funding for the academy's educational operations - continued

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the Academy Trust's funding for Universal Infant Free School Meals, Pupil Premium, Teachers pay and Teachers pension grants are no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

4. Other trading activities

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Hire of facilities	2,418	-	2,418	13,471
Catering income	10,000	-	10,000	8,403
Other income	12,595	-	12,595	-
	<u>25,013</u>	<u>-</u>	<u>25,013</u>	<u>21,874</u>

5. Investment income

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Short term deposits	<u>82</u>	<u>-</u>	<u>82</u>	<u>234</u>

6. Expenditure

	Non-pay expenditure			2021 Total	2020 Total
	Staff costs	Premises	Other costs	£	£
	£	£	£		
Expenditure on raising funds					
Allocated support costs	6,881	23,004	1,084	30,969	65,976
Charitable activities					
Academy's educational operations					
Direct costs	2,176,516	165,150	193,146	2,534,812	2,143,963
Allocated support costs	<u>959,278</u>	<u>442,637</u>	<u>213,651</u>	<u>1,615,566</u>	<u>1,558,532</u>
	<u>3,142,676</u>	<u>630,791</u>	<u>407,880</u>	<u>4,181,347</u>	<u>3,768,471</u>

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	9,500	9,500
Auditors' remuneration for non-audit work	7,410	8,181
Depreciation - owned assets	157,796	112,381
Operating leases	<u>49,100</u>	<u>42,635</u>

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2021

7. Charitable activities - academy's educational operations

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Direct costs	-	2,534,812	2,534,812	2,143,963
Support costs	-	1,616,552	1,616,552	1,558,532
	-	4,150,378	4,150,378	3,702,495

	2021 Total £	2020 Total £
Analysis of support costs		
Support staff costs	965,353	934,835
Technology costs	75,685	83,077
Premises costs	309,822	366,529
Other support costs	121,056	89,634
Governance costs	144,636	84,457
Total support costs	1,616,552	1,558,532

8. Trustees' remuneration and benefits

Principal and staff Trustees only received remuneration in respect of services they provided undertaking the roles of Principal and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration was as follows:

Employer's remuneration:	2021	2020
D Bennett (Principal and Trustee)	£80,000 - £85,000	-
S Fisher (Principal and Trustee) (resigned 31 August 2020)	-	£75,000 - £80,000

Employer's pension contributions:		
D Bennett (Principal and Trustee)	£15,000 - £20,000	-
S Fisher (Principal and Trustee) (resigned 31 August 2020)	-	£15,000 - £20,000

Trustees' expenses

There were no Trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

9. Staff costs

	2021 £	2020 £
Wages and salaries	2,148,562	2,041,183
Social security costs	221,255	183,911
Operating costs of defined benefit pension schemes	772,859	606,806
	3,142,676	2,831,900

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2021	2020
Teachers (FTE 2021 - 33, 2020 - 33)	37	39
Admin (FTE 2021 - 33, 2020 - 27)	42	38
Management (FTE 2021 - 3, 2020 - 3)	3	3
	82	80

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

9. Staff costs - continued

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

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

The above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2021 pension contributions for this employee amounted to £51,308 (2020: £48,182).

Key management personnel

The key management personnel of trust is the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £294,217 (2020: £281,944).

10. Central services

No central services were provided by the Academy Trust to its academies during the period and no central charges arose.

11. Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions accruing whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the costs for the year ended 31 August 2021 was £1,000 (2020: £1,000). The cost of this insurance is included in the total insurance cost.

The costs of this insurance is included in the total insurance cost.

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

12. Comparatives for the statement of financial activities – year ended 31 August 2020

		Restricted		
	Unrestricted fund £	Restricted funds £	fixed asset funds £	Total funds £
Income and endowments from				
Donations and capital grants	-	50,218	59,649	109,867
Charitable activities				
Funding for the academy's educational operations	-	3,513,590	-	3,513,590
Other trading activities	21,874	-	-	21,874
Investment income	234	-	-	234
Other income	6,780	-	-	6,780
Total	28,888	3,563,808	59,649	3,652,345
Expenditure on				
Raising funds	15,026	50,950	-	65,976
Charitable activities				
Academy's educational operations	15,842	3,574,272	112,381	3,702,495
Total	30,868	3,625,222	112,381	3,768,471
NET INCOME/(EXPENDITURE)	(1,980)	(61,414)	(52,732)	(116,126)
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	-	13,000	-	13,000
Net movement in funds	(1,980)	(48,414)	(52,732)	(103,126)
Reconciliation of funds				
Total funds brought forward	1,980	(1,965,785)	4,683,250	2,719,445
Total funds carried forward	-	(2,014,199)	4,630,518	2,616,319

KINGSTONE ACADEMY TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2021**

13. Tangible fixed assets

	Long leasehold £	Computer Equipment £	Furniture and Equipment £	Totals £
Cost				
At 1 September 2020	5,447,536	114,336	57,636	5,619,508
Additions	<u>53,288</u>	<u>35,949</u>	<u>60,674</u>	<u>149,911</u>
At 31 August 2021	<u>5,500,824</u>	<u>150,285</u>	<u>118,310</u>	<u>5,769,419</u>
Depreciation				
At 1 September 2020	855,118	113,656	34,377	1,003,151
Charge for year	<u>126,588</u>	<u>12,523</u>	<u>18,685</u>	<u>157,796</u>
At 31 August 2021	<u>981,706</u>	<u>126,179</u>	<u>53,062</u>	<u>1,160,947</u>
Net book value				
At 31 August 2021	<u>4,519,118</u>	<u>24,106</u>	<u>65,248</u>	<u>4,608,472</u>
At 31 August 2020	<u>4,592,418</u>	<u>680</u>	<u>23,259</u>	<u>4,616,357</u>

Leasehold land and buildings are subject to a 125 year lease with the local authority.

Included in cost or valuation of land and buildings is leasehold land of £652,000 which is not depreciated.

14. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	31,604	23,507
VAT	31,859	20,777
Prepayments and accrued income	61,658	54,568
	<u>125,121</u>	<u>98,852</u>

15. Creditors: amounts falling due within one year

	2021 £	2020 £
Social security and other taxes	113,899	102,666
Accruals and deferred income	44,390	89,009
	<u>158,289</u>	<u>191,675</u>

Deferred Income

	2021 £	2020 £
Deferred income at 1 September 2020	31,376	35,168
Resources deferred in the year	27,495	31,376
Amounts released from previous years	(31,376)	(35,168)
Deferred income at 31 August 2021	<u>27,495</u>	<u>31,376</u>

At the balance sheet date the Trust was holding funds received in advance for Free School Meals and rates funding and for the 2021/22 academic year.

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

16. Analysis of net assets between funds

	Unrestricted fund	Restricted funds	Restricted fixed asset funds	2021 Total funds
	£	£	£	£
Fixed assets	-	-	4,608,472	4,608,472
Current assets	-	817,570	-	817,570
Current liabilities	-	(158,289)	-	(158,289)
Pension liability	-	(2,395,000)	-	(2,395,000)
	<u>-</u>	<u>(1,735,719)</u>	<u>4,608,472</u>	<u>2,872,753</u>

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

	Unrestricted fund	Restricted funds	Restricted fixed asset funds	2020 Total funds
	£	£	£	£
Fixed assets	-	-	4,616,357	4,616,357
Current assets	-	434,336	42,301	476,637
Current liabilities	-	(163,534)	(28,141)	(191,675)
Pension liability	-	(2,285,000)	-	(2,285,000)
	<u>-</u>	<u>(2,014,198)</u>	<u>4,630,517</u>	<u>2,616,319</u>

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

17. Movement in funds

	Balance at 31 August 2020 £	Incoming Resources £	Resources Expended £	Gains, losses and Transfers £	Balance at 31 August 2021 £
Restricted general fund					
General Annual Grant (GAG)	270,801	3,405,880	(2,980,411)	(66,274)	627,926
Other DfE/ESFA Grants					
UFSM	-	20,866	(20,866)	-	-
Pupil premium	-	177,231	(177,231)	-	-
Teachers pay grant	-	45,431	(45,431)	-	-
Teachers pension grant	-	128,375	(128,375)	-	-
COVID catch up	-	60,640	(29,285)	-	31,355
COVID other	-	3,725	(3,725)	-	-
Others	-	77,346	(77,346)	-	-
Local authority	-	400,833	(400,833)	-	-
Other restricted funds	-	9,959	(9,959)	-	-
	270,801	4,330,336	(3,875,582)	(66,274)	659,281
Restricted pension fund					
Pension reserve	(2,285,000)	-	(117,000)	7,000	(2,395,000)
	(2,014,199)	4,330,336	(3,992,582)	(59,274)	(1,735,719)
Restricted fixed asset fund					
DfE/ESFA capital grants	-	69,476	-	(69,476)	-
Accumulated capital fund	4,630,518	-	(157,796)	135,750	4,608,472
	4,630,518	69,476	(157,796)	66,274	4,608,472
Total restricted funds	2,616,319	4,399,812	(4,150,378)	7,000	2,872,753
Unrestricted funds	-	30,969	(30,969)	-	-
Total funds	2,616,319	4,430,781	(4,181,347)	7,000	2,872,753

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

General Annual Grant (GAG): must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other DfE/ESFA Grants: are utilised for the purposes intended by the donor.

Other Restricted General Funds: include payments made towards Academy trips.

The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.

Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.

Unrestricted Funds: are all those income and expenses for general use in the Academy.

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2021

17. Movement in funds - continued

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

	Balance at 31 August 2019 £	Incoming Resources £	Resources Expended £	Gains, losses and Transfers £	Balance at 31 August 2020 £
Restricted general fund					
General Annual Grant (GAG)	206,215	2,999,175	(2,934,589)	-	270,801
Other DfE/ESFA grants	-	397,004	(397,004)	-	-
Other restricted funds	-	-	-	-	-
	<u>206,215</u>	<u>3,563,808</u>	<u>(3,499,222)</u>	<u>-</u>	<u>270,801</u>
Restricted pension fund					
Pension reserve	(2,172,000)	-	(126,000)	13,000	(2,285,000)
	<u>(1,965,785)</u>	<u>3,563,808</u>	<u>(3,625,222)</u>	<u>13,000</u>	<u>(2,285,000)</u>
Restricted fixed asset fund					
DfE/ESFA capital grants	-	59,649	(59,649)	-	-
Accumulated capital fund	4,683,250	-	(52,732)	-	4,630,518
	<u>4,683,250</u>	<u>59,649</u>	<u>(112,381)</u>	<u>-</u>	<u>4,630,518</u>
Total restricted funds	<u>2,717,465</u>	<u>3,623,457</u>	<u>(3,737,603)</u>	<u>13,000</u>	<u>2,616,319</u>
Unrestricted funds	<u>1,980</u>	<u>28,888</u>	<u>(30,868)</u>	<u>-</u>	<u>-</u>
Total funds	<u>2,719,445</u>	<u>3,652,345</u>	<u>(3,768,471)</u>	<u>(683,000)</u>	<u>2,616,319</u>

Analysis by Fund balance

Fund balances at 31 August 2021 were allocated as follows:

	Total 2021 £	Total 2020 £
Kingstone High School	335,069	28,544
Kingstone & Thruxton Primary School	324,212	242,257
	<u>659,281</u>	<u>270,801</u>
Restricted fixed asset fund	4,608,472	4,630,518
Pension reserve	(2,395,000)	(2,285,000)
Total	<u>2,872,753</u>	<u>2,616,319</u>

Analysis by cost

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other (excluding depreciation) £	Total 2020/21 £	Total 2019/20 £
KHS	1,695,011	608,755	75,637	627,956	3,007,359	2,812,010
KTPS	481,506	249,128	24,034	144,524	899,192	844,081
Central	-	117,000	-	-	117,000	-
Total	<u>2,176,517</u>	<u>974,883</u>	<u>99,671</u>	<u>772,480</u>	<u>4,023,551</u>	<u>3,656,091</u>

18. Pension and similar obligations

The charity'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 Worcestershire County Council. Both are Multi-employer defined benefit schemes.

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

Contributions amounting to £47,042 were payable to the schemes at 31 August 2021 (2020 - £45,895) and are included within creditors.

Teachers' pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the 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 TPS in the period amounted to £366,298 (2020 - £324,502).

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 charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity 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 made for the year ended 31 August 2021 were £207,000 (2020 - £190,000), of which employer's contributions totalled £173,000 (2020 - £157,000), and employees' contributions totalled £34,000 (2020 - £33,000). The agreed contribution rates for future years are 24.2% per cent for employers and a range of 5.5% and 9.9% for employees.

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

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

18. Pension and similar obligations - continued

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Present value of funded obligations	(4,543,000)	(3,915,000)
Fair value of plan assets	<u>2,148,000</u>	<u>1,630,000</u>
	(2,395,000)	(2,285,000)
Present value of unfunded obligations	-	-
Deficit	<u>(2,395,000)</u>	<u>(2,285,000)</u>
Net liability	<u>(2,395,000)</u>	<u>(2,285,000)</u>

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

	Defined benefit pension plans	
	2021	2020
	£	£
Current service cost	249,000	235,000
Net interest from net defined benefit asset/liability	39,000	40,000
Past service cost	-	6,000
Admin expenses	<u>2,000</u>	<u>2,000</u>
	<u>290,000</u>	<u>283,000</u>
Actual return on plan assets	<u>318,000</u>	<u>23,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Opening defined benefit obligation at start of period	3,915,000	3,548,000
Current service cost	249,000	235,000
Past service cost	-	6,000
Contributions by scheme participants	34,000	33,000
Interest cost	70,000	65,000
Benefits paid	(4,000)	(116,000)
Remeasurements:		
Gain on assumptions	370,000	87,000
Experience gain/(loss)	<u>(91,000)</u>	<u>57,000</u>
	<u>4,543,000</u>	<u>3,915,000</u>

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

18. Pension and similar obligations - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Opening fair value of scheme assets at start of period	1,630,000	1,376,000
Assets interest	31,000	25,000
Admin expenses	(2,000)	(2,000)
Contributions by employer	173,000	157,000
Contributions by scheme participants	34,000	33,000
Benefits paid	(4,000)	(116,000)
Assets other remeasurement	286,000	157,000
	<u>2,148,000</u>	<u>1,630,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
(Loss)/gain on assumptions	(370,000)	(87,000)
Experience gain/(loss)	91,000	(57,000)
Assets other remeasurement	286,000	157,000
	<u>7,000</u>	<u>13,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
Equities	83.20%	65.90%
Bonds - Government	-	6.70%
Bonds- Other	0.1%	5.30%
Property	4.40%	5.40%
Cash	2.50%	4.20%
Other	9.80%	12.50%
	<u>100.00%</u>	<u>100.00%</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2021	2020
Discount rate	1.70%	1.80%
Future salary increases	4.20%	3.90%
Future pension increases	2.80%	2.50%
Inflation assumption	2.70%	2.40%

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2021

18. 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	2020
Retiring today		
Males	22.7	22.6
Females	25.1	25.0
Retiring in 20 years		
Males	24.4	24.2
Females	27.1	24

Sensitivity analysis

	2021	2020
£'000	£'000	
Discount rate +0.1%	(94)	(81)
Discount rate -0.1%	96	83
Mortality assumption - 1 year increase	142	110
Mortality assumption - 1 year decrease	(138)	(107)
CPI rate +0.1%	95	82
CPI rate -0.1%	(93)	(80)

19. Long-term commitments, including operating leases

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	34,067	48,627
Between one and five years	48,244	42,039
	<u>82,311</u>	<u>90,666</u>

20. Related party disclosures

Owing to the nature of the 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 AFH and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions for the year ended 31 August 2021 other than certain Trustees' remuneration and expenses already disclosed in note 8.

21. 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)	249,434	(116,126)
Adjustments for:		
Depreciation charges	157,795	112,381
Capital grants from DfE/ESFA	(69,476)	(59,649)
Interest paid	310	211
(Increase)/decrease in debtors	(26,269)	13,258
(Decrease)/increase in creditors	(33,385)	51,098
Difference between pension charge and cash contributions	117,000	126,000
Net cash provided by operations	<u>395,409</u>	<u>127,173</u>

KINGSTONE ACADEMY TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

22.. Analysis of changes in net funds

	At 1/9/20 £	Cash flow £	At 31/8/21 £
Net cash			
Cash at bank	<u>377,785</u>	<u>314,664</u>	<u>692,449</u>
	<u>377,785</u>	<u>314,664</u>	<u>692,449</u>
Total	<u><u>377,785</u></u>	<u><u>314,664</u></u>	<u><u>692,449</u></u>